THE FINANCIAL POST

The Canadian Newspaper for Businessmen and Investors

Largest Circulation of All Canadian Financial Papers

Vol. XXXV | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, AUGUST 23, 1941 | 10c a Copy; $5.00 a Year | No. 34

Be Sure to Read

Why Hitler Stays Away . 9
How About 'Union Now'? 11
Base Metals Boom? 15
Research in the Sky 16

The Nation's Business

Canada's Larger Role In World Affairs

What was discussed behind the scenes by Mr. Churchill and Mr. Roosevelt and their technical advisers was equal in importance to their magnificent declaration of peace aims.

Canada will be vitally affected. A speed-up in war production in the United States, to stimulate flow of essential supplies to Britain, Russia, Netherlands East Indies, and China, will call for an even closer integration of the industrial life of Canada and the United States. There may not be more large American orders for Canadian plants because we are getting close to the limit that we can handle. But our "peacetime" industries will find themselves more embarrassingly squeezed for steel, petroleum and other materials.

It is reported that the Prime Minister and the President agreed upon a plan to stabilize the pound sterling at its present level. This, combined with easing of our exchange position under the Hyde Park formula, suggests that our own dollar will continue to maintain its present stable price, in terms of the U. S. dollar.

Food was much discussed on H.M.S. Prince of Wales and U.S.S. Augusta. Britain wants beef; she wants more bacon; she wants more of other foodstuffs. Canada will be called upon to supply some of the increase. That will mean a bigger job for our farmers, a greater self-denial at Canadian tables.

In the broad field of anti-Axis military strategy decisions were arrived at that must greatly influence Canada's own naval, air and army programme.

• • •

It is now most appropriate that the Prime Minister of Canada should be overseas to meet the British Prime Minister, the head of overseas forces and other key officials in London.

There are very real problems to discuss: what our military programme should be, how we should train our men for the offensive to come; how to readjust our financial relations with Britain.

Britain is running behind $900 millions a year in her purchases here. We are not asking settlement now any more than the U. S. A. is on "Lease-Lend" supplies. But, there are strong groups at Ottawa who hold that we should give even more supplies outright to Britain—perhaps $200 or $300 millions a year—and not put it down in the books for postwar negotiations. For instance, we might—they urge—take over the whole of the cost of air training.

Some commentators see in Churchill-Roosevelt meetings the end of Canada's traditional role as interpreter between Great Britain and the United States. This is a short view. Canada's role of interpreter has become even more important. Mr. King's personal contacts with the President have been helpful to all three countries. His conversations with the Prime Minister of Britain will be equally important.

Canadians hope, too, that a visit to the war zone by Mr. King will help to bring the seriousness of the war home, not only to the head of our Government, but to all the people of Canada. Duncan Hall's remarkable article in this issue makes it only too clear that Hitler attaches great weight to Canada's comparative lack of urgency of the war. We in Canada are still fighting a "cold, dry war," as an eminent American commentator put it on a visit to Canada some months ago. We need to develop more of the fighting spirit. It will help us on the labor front, the industrial front, the farm front and the civilian front.

• • •

OTTAWA SHOULD SUPPORT OWN LABOR POLICY

Have we one Minister of Labor at Ottawa . . . or several? We have witnessed, time and again in this war, the spectacle of the labor minister trying to persuade the public to accept and support one policy while other ministers scorned that policy in independent action on their own account.

As an example, the wage "settlement" achieved in respect to the aircraft workers at the Malton plant of National Steel Car Company deserves some anxious consideration.

The settlement comes on the heels of the Minister of Labor's recent revision and publicizing of Canada's wartime labor-wages policy. Two essential elements of the policy are a request that wages be not increased, except where they are gravely out of line; but that workers be protected against increases in the cost of living by bonuses on a suggested scale.

Although some threat of inflation is inherent in the cost-of-living bonus plan, it has been widely accepted as the lesser of two evils, in that it offers promise of an end to spiralling wage increases.

In the case of the Malton aircraft workers, a conciliation board set a rate of wages somewhat above that prevailing in the industry as a whole (recognizing no doubt the peculiar transportation problem of workers at this plant). The union refused to accept the award and threatened a strike within 48 hours.

The result of this gun-at-the-head business was a new agreement raising wages above the scale suggested by the conciliation board, adding a transportation allowance, making the pay and allowance retroactive to June 1 last, and providing in addition for future cost-of-living bonuses.

The new agreement is stated to be a joint decision of the Department of Munitions and Supply and the Department of Labor. But it was announced by the minister of the former department, Hon. Clarence D. Howe, and he was called the sponsor of the proposal.

The Minister of Labor is pleading for an immediate stop to wage increases. Yet the Minister of Munitions and Supply steps into a wage dispute and raises wages above the prevailing level in the industry!

Some of Mr. Howe's previous efforts at intervention in labor disputes were abortive and must have been embarrassing to other government departments. At Arvida he talked of a suspected case of enemy sabotage and said "arrests definitely will be made . . . if none has been made already." So far, the Department of Justice, which might reasonably be the department to announce arrests, has not made any arrests that have been publicly reported.

In the National Steel Car dispute in Hamilton, the Minister, on a few hours' notice, put a controller in to run the plant while the company was in the midst of efforts to get the Department of Labor to end an entirely illegal strike.

Last week, after the Prime Minister is said to have personally intervened, there was a further "settlement" at the same plant. It too was announced by Mr. Howe's department, jointly with the Department of Labor.

Mr. Howe, charged with responsibility for war supply, may be impatient or even completely fed up with what he possibly regards as the ineffectiveness of the Department of Labor in keeping defense production going. If so, he should carry his case to the Prime Minister and demand a more aggressive labor minister. Certainly it promotes no public confidence, either in the Ministry of Labor or the Government's labor policy, to see Mr. Howe brushing aside Mr. McLarty to get settlements.

Particularly disturbing is it that the Malton settlement suggests that Mr. Howe either has not studied, or has no high opinion of, Canada's wartime labor policy as officially laid down by the Government. The wage increases granted seem to be a direct challenge to the policy of checking rising wages.

Obviously, there is clear-cut need for the Prime Minister to bring about some unity of thinking in the cabinet on labor policy and some co-ordination in its execution. Perhaps he needs a new Minister of Labor. Mr. Howe seems to think so.

Gas Saving Still Short Of Goal

Retail Consumption Running Only 5 to 8% Below Last Year's Level, Checks Indicate

The gas saving programme is still far short of the objective despite increasing momentum, it is indicated by a canvass by The Financial Post of leading distributors of gas and oil.

Contributing to the lag in reduction are the gain in tourist traffic from the United States; the increasing activity of war plants located away from alternative means of transportation; and the necessarily gradual nature of any marked change of consumer habits on a voluntary basis.

From the reports available, highway and suburban stations are experiencing a greater reduction than city outlets, some of which have actually shown substantial increases as suburban dwellers shifted their patronage to meet the early closing regulation. Ban on sales of gasoline by business firms to their employees in some cases brought additional business to commercial outlets which tended to obscure the true saving.

Rough average across the Dominion in the first half of August indicated that total consumption through retail outlets was running about 5% below the corresponding period of last year. Currently, the reports indicate that the rate of saving has been stepped up to about 8% under last year.

The Province of Quebec lagged substantially behind the other provinces in the first part of the month, largely because the province is esti-

(Continued on page 2, col. 6)

An intensive, large scale demonstration of Canadian industry, commerce and agriculture at war will be given for the next two weeks by the Canadian National Exhibition, which swings this week end into its 63rd consecutive season at Toronto. Exhibits, action displays, and operations of troops and equipment will all be centred on dramatizing Canada's response to the war challenge. An outstanding feature will be the big display of the Department of Munitions and Supply—first of its kind since the war started—which will show war plant operations in actual progress. Above, workers are shown putting an Avro-Anson bomber fuselage into place in the display early this week.

Handling Cost of Living Bonus

Financial Post Survey of Over 25 Large Companies Reveals Wide Variety of Methods

An almost endless variety of methods have been adopted by industrial, financial and business firms in paying cost-of-living bonuses, or otherwise absorbing the effect on employees of higher wartime living expenses.

This emerges clearly from a canvass by The Financial Post of leading employers of factory, office and other types of workers in the Toronto-Hamilton area. The survey embraced more than a score of concerns, including both war plants and regular industry, public utilities, food product and clothing firms, banks, and insurance companies.

Despite the almost complete lack of uniformity in plans, the majority of companies seem to have accepted the basic principle of the Government's wartime wages and bonus policy, as set forth in Order-in-Council P.C. 7440.

This principle is that increases in pay to offset rises in living costs should be special payments, over and above fair basic wages or salaries, and adjustable to the rise and fall in the living cost index.

Mostly Flat Amounts

There also appears to be fairly general acceptance of the Ottawa policy that bonus payments should be flat amounts equal for all workers, regardless of earnings. Some firms, however, are continuing in whole or in part to pay living cost extras as percentages of earnings, or even as periodic increases in basic pay rates.

The amounts of the bonuses vary widely. In a few cases, they are based directly on the formula set forth in P.C. 7440—25 cents a week for every 1 point rise in living costs since start of the war—and cover all the increase in the index since Aug., 1939. In many instances, the amount and basis of the bonus is adjusted to take into account pay increases or adjustments since the war started, or failure of the index to raise five points or more since the last revision of pay. Such partial bonuses and variations are allowed for under the Government policy.

Adopt Own Methods

While there appears to be a growing acceptance of the general principle of Ottawa's plan, very few firms seem to have adopted the official specific formula for calculating and paying the bonus to various classes of employees. Most companies surveyed have worked out their own system of setting the bonus and determining how it shall be paid. The practice of giving bonuses to office workers as well as plant employees seems to be spreading, but there are wide variations in the limits of earnings on which bonuses will be paid.

Some firms are paying bonuses on top of wage increases, while others are giving them in lieu of any general upward scaling of pay rates. Some firms indicate their readiness to give further pay increases to meet new jumps in living costs, or to keep workers satisfied. Only one firm canvassed—Bell Telephone—has specifically declared that pay rates (revised last May) are to remain fixed for as long as 7440 is in effect.

Following are summaries of just how each firm surveyed is meeting the problem of living cost bonuses. A few firms did not wish their identity to be disclosed.

Abitibi Power & Paper Co. Provincial Paper Co.

Along with most other paper companies in Canada, these associated concerns began in May to pay a bonus of $5 a month (about $1.25 a week) to all regular mill and plant employees; and on a comparable basis to supervisors and office workers getting up to $175 a month. The amount of the bonus was calculated in accordance with the Government policy, and took into account the fact that there was an upward adjustment of pay rates in May, 1940. The bonus was designed to absorb the rise in living costs between that time and May of this year.

However, the bonus is based on a May-to-May spread of five points, which was not attained until the index touched 110 in June. The company therefore plans to defer any increase in the bonus until the index reached 115 or thereabouts, rather than when the index rises another five points above May, 1941.

Payment of the bonus is provided for in the agreements between the leading paper companies and the papermakers' union, which annually come up for revision in May.

Addressograph-Multigraph

Wages of all employees are at least 10% higher than last December, but the company does not intend to freeze wages and absorb rises in the cost of living by special payments. Object is to maintain individual incentives for the more ag-

(Continued on page 2, col. 3)

New Controls, Restrictions Coming

By STAFF WRITER

OTTAWA.—Shifting of the Wartime Prices and Trade Board from Hon. Norman McLarty to Hon. J. L. Ilsley will give the green light to important new controls and restrictions which would have come in any event but may now come much more rapidly.

Most important will be extension of the Board's powers beyond mere necessaries of life and probable restriction and control of installment selling. Within the next week or two a number of far-reaching moves may be expected from the Board.

Chairman Hector B. McKinnon returned from holidays at the week end and each day has been taken up with formulating plans and policies along lines forecast in these columns some weeks ago.

Actually the shift of prices control from Labor to Finance and the naming of a full-time chairman to the Wartime Industries Control Board (R. C. Berkinshaw) are only a very partial answer to the recommendations put strongly before the cabinet by the Economic Advisory Committee for co-ordination of Canada's war effort along the economic front.

The cabinet apparently ignored the major alternatives put before them by the committee for economic co-ordination and decided (apart from the shift in departmental control of the prices board) not to interfere with the present haphazard system whereby major departments exercise far-reaching control over economic matters pretty much on their own hook.

Why King Went to London

Canada May Pay Entire Cost of Air Training Plan

By STAFF WRITER

OTTAWA.—One possible result of Mr. King's visit to England may be that Canada will take over the entire cost of the British Commonwealth Air Training Scheme in Canada.

Canada presently provides 80% of the students for the plan and is scheduled to pay $531 millions of the estimated cost of $824 millions for the first three years.

The Prime Minister is believed to have in mind a further major gesture of generous co-operation with Britain in the financing of the war. The expectation in some circles here is that this will be made in connection with the cost of air training, although it seems that further Canadian assistance to Britain in purchasing food in Canada at below the prevailing market prices is also in the wind.

The whole problem of revamping Canada's financial accounts with Britain has been much under discussion in intimate treasury circles at Ottawa. At the present time Canada is shipping Britain munitions, foodstuffs and other supplies to an annual value of about $1,500 millions. To offset this huge amount Britain has substantial sums available from the shipment of merchandise, and from insurance premiums, shipping, chartering and interest and dividends on British investments here. But she still falls short about $1,150 millions a year of meeting the full cost of what she is acquiring from Canada.

Under the Hyde Park understanding, about $250 millions of this is now charged to Lease-Lend. This represents a substantial portion of the American components in munitions fabricated in Canada for British account, and it is now charged directly to Britain under Lease-Lend instead of being charged to Canada in American dollars and written up in Canada's books in sterling for postwar settlement.

This leaves about $900 millions a year that Britain is running behind in her accounts in Canada. Canada, as is well known, demands no gold or other "cash" for this balance. We are accepting such Canadian securities—now held by Britain—as can be conveniently repatriated and for the balance we are taking "sterling." This really means that the sums are accumulating in the books as a Canadian credit and a British debit.

Actually no one has given very

(Continued on page 2, col. 7)

Send Us More Bacon Britain Asks Canada

By STAFF WRITER

OTTAWA.—Fixing of a price for the new 600 million pound bacon contract with the United Kingdom awaits the Government's decision as to how Canada is going to refinance its entire British war commitment.

Britain wants 1,000 million pounds of bacon from North America in the coming year. Canadians may have to go on short rations to supply it and will have to bonus the price some way to help out the British housewife.

The present bacon contract expires when Canada has shipped 425 million lbs. The contract would normally have expired Oct. 31, but Canada received an urgent call to complete the contract in 10½ instead of 12 months. This would mean completion by Sept. 15. Canada will not do quite as well as that but at the present rate of shipments should complete the amount asked for by the end of September.

Everything in the new 1941-42 contract is ready except the price. All other details have been initialled.

"Bonus" for Hog Raisers

At present Britain is paying 85 shillings per hundredweight for bacon under the 1940-41 contract. The Canadian Government pays any "difference" which is thought necessary to meet U. S. competition and Canadian demand.

Currently the price which the Canadian farmer is receiving is equivalent to about 97/6. This "nominal spread" of 12/6 per cwt. is currently being paid by the Canadian Government as a "bonus" to hog producers. It is paid in the form of a bonus of 2½ cents a pound to packers which they pass on to farmers in the form of a higher price for hogs

Actually the British Government has paid little or nothing in "cash." The amount is merely debited against the U. K. in Canada's governmental balance sheet. It is the cleaning up of this whole system of Canada-U.K. bookkeeping which is now under consideration.

The probability is that there will be a pooling of all U. K. purchases and that although fixed prices will be set for individual items of supply such as bacon, the Canadian Government will agree to pay outright a certain proportion of the entire commitment as this nation's "lease-lend" contribution to the war.

Don't Like Contract

It is hoped, in the case of bacon, for example, to avoid another "open-end" contract whereby the British price remains below the price being paid to Canadian producers. The open-end contract tends to open the way for political pressure from various interested groups.

It is argued, for example, that a fixed price for 1941-42 of, say, 95 or 100 shillings (or whatever the Canadian Government decides it must pay Canadian producers to ensure 600 million lb. of bacon) would be much more satisfactory than the present two-price plan. Then the necessary adjustment could be made between the two governments as to what proportion of the contract price

(Continued on page 2, col 1)

The War And Business . . A Weekly Round-up

Gas Saving Rapped

Reports from all parts of Canada are that substantial savings are being achieved in gasoline use but few of the estimates in any area run to the 50% of pleasure consumption asked for.

Meanwhile, there is much criticism of the conservation plan and public opinion is veering around toward a definite rationing plan as fairest and most likely to achieve results.

The Farmers Advocate, London, declares voluntary rationing to be ineffective and comes out for a scheme of control. The Windsor Star reports no change in traffic conditions and no appreciable falling off in demand in its area.

The Winnipeg Free Press says either there is a gasoline crisis or there is not. It wants more facts, how many gallons have to be conserved, for instance. It is unimpressed with Mr. Howe's estimate of "reasonably satisfactory" response to the appeal; and is afraid Americans will point a finger of criticism at us for half-hearted measures.

• • •

Modified Rent Control?

Spread of rent control to several of the larger cities now excluded, but in a modified form less arbitrary than that applied in 50 to 60 centres across Canada, is now reported in prospect. One plan said to be under consideration calls for regulations requiring landlords to show reasonable justification for jacking up rents in any substantial amount, but not for outright control with rents frozen at a set level.

Centres in line for such a scheme would include Toronto, Montreal and Winnipeg, which have not yet been brought under rent control, but are sources of a rising tide of complaints to the Prices Board about rent increases. Control was applied some time ago to Halifax, Ottawa, Hamilton, Windsor and Vancouver.

Avoidance of arbitrary control in the new plan would meet objections that the control to date has been too rigid and inelastic, and has not allowed sufficiently for rising maintenance costs and subnormal values or rents. However, recent rulings and regulations have been based on a rent peg tied to levels as of Jan., 1941, rather than the original date of Jan., 1940.

This week Toronto civic offficals were conferring with the Rents Administrator with a view to getting control in their city soon, possibly with a peg.

• • •

Pots For Planes

Canada's pots and pans drive to bolster supplies of aluminum scrap used in aircraft production will be staggered across the country, concentrated in two-day campaigns a week apart in the three main regions of the Dominion. Plans drafted by the salvage authorities of the Dept. of National War Services call for regional efforts as follows:

Ontario and Quebec, Sept. 5-6.

Manitoba, Saskatchewan and Alberta, Sept. 12 and 13.

Maritimes and British Columbia, Sept. 19 and 20.

Main reason for splitting up the campaign this way is to facilitate marketing arrangements and move the scrap toward aluminum and aircraft plants in orderly fashion. Canadians are to be urged to deposit worn out, broken and otherwise useless or discarded household aluminum at compounds to be established in parks and school grounds.

• • •

Still useful articles that would have to be replaced will not be sought, but rather such items as leaky pots and pans, old shoe trees, broken parts of golf clubs, washing machines and sweepers. Proceeds from sale of the aluminum will go to the Red Cross, and the scrap metal will find its way into production of war planes. A new reclamation plant for treating aluminum scrap is being established at Toronto by Aluminum Co. of Canada.

While a relatively small proportion of scrap can be used in making aluminum for aircraft, ranging at the most up to 5 or 10% in aircraft castings, demand for scrap is almost as urgent as that for increased supply of virgin metal. All extra scrap realized through the salvage drive will be welcome additions to the limited available supplies, The Post is informed.

It is hoped that a substantial quantity of scrap materials can be collected through the campaign, though of course it will not compare with the volume obtained from industrial salvage and other channels. For example, General Motors of Canada recently estimated that nearly 22 million pounds of scrap metal are salvaged in a year at its plants, of which a portion would be aluminum.

• • •

Bigger Relief Rolls?

Look for a very heavy increase in relief rolls next winter. One Ottawa Parliamentarian, representing a Saskatchewan constituency, suggests that there may be as many as 200,000 western farmers and dependents on the relief rolls because of the poor crop now being harvested.

• • •

Drafting Plants For War

The drive to extend war supply output by decentralizing production, and drafting reserve capacities of factory space, equipment and labor in non-war industries, has been pushed along much more drastic lines in Britain than in Canada.

In Canada the plan, now gaining headway, is to absorb slack or reserve resources of machine tools and skilled workers in regular industries, to carry out subcontracts for parts, components and other supplies. These are farmed out by primary contractors from war plants proper or secondary supply factories whose capacities are overtaxed, to plants in normal industry whose workers, machine shops, etc., are not fully utilized.

Britain also has its "bits and pieces" programme, which has achieved considerable success, but it has attempted to go far beyond that. The scheme calls for centralization rather than decentralization, except that it applies primarily to normal industries. The five months ended Aug. 1 was a test pressure period to induce non-essential industries to concentrate operations and limit them to the absolute minimum, thereby releasing workers, plant space and equipment for war production.

Results to date of the campaign for voluntary concentration indicate 110,000 workers have been or will be released for war work. This sounds impressive, but according to the Whaley-Eaton Service of Washington it is deemed disappointing and compulsion is to be applied. The Service reports industries have stalled for time and that the Board of Trade, whose attitude has been dilatory, has had its hand forced by the Ministry of Labor.

The Board is to appoint "nucleus firms" where necessary and divert labor and materials from concerns not chosen to carry on. There is no sign that such a scheme is in prospect for Canada, but it conceivably may be tried if the "bits and pieces" campaign proves inadequate to expand and speed up production.

• • •

Plowshares Into Swords

Leading farm implement companies are making artillery shells or similar types of war supplies . . . A large Canadian landscaping and architectural firm, that has specialized in the layout and construction of golf courses, is busy laying out air fields for the British Commonwealth Air Training Scheme. . . . A manufacturer of fountain pens makes intricate parts for fuses . . . A refugee shoe making industry is making gauges and other precision instruments in its machine shop . . . A manufacturer of elevators and hollow metal doors is turning out anti-aircraft gun barrels . . . The construction and maintenance shops of one of Canada's big railways have got production of tanks under way.

• • •

Milestones

Powers of Wartime Prices and Trade Board substantially extended, and operations of Board shifted from Labor to Finance Department, to tighten control of civilian commodities, trade and prices, including installment selling. . . F. B. Kilbourn, Montreal, appointed new, full-time Steel Controller, and W. J. Lynch, Quebec, made Transit Controller with wide powers over all forms of transport, working hours, parking, etc. . . . Canadian war supply contracts made in week ended Aug. 5 jump to $60.1 millions from $37.3 millions in previous week, the increase coming chiefly from $49 millions in contracts for cargo ships to be built on the St. Lawrence and the Pacific coast.

Can't Figure Income Tax In Ontario as Long as Mitch Hepburn Silent

By STAFF WRITER

OTTAWA.—The Government has sent out a warning that monthly installments for 1942 income tax become payable next month (Sept. 30 is the first deadline).

But it gave no inkling as to whether the Ontario citizen liable for tax and anxious to pay his bill on the installment plan should include an amount for double taxation in that province.

In short, there is no answer here as yet as to whether Ontario is going to meet the proposal put forward by Hon. J. L. Ilsley whereby Ontario waives its corporate and personal income taxes and accepts instead a lump sum payment from the Federal Government.

If Ontario refuses to accept this plan, then taxpayers in that province are liable to double taxation. They must pay the high federal rates which include provision for payments to the provinces and also the existing Ontario rates.

For some time negotiations with all provinces except Ontario have been proceeding in respect to lumping all income tax for the duration under federal aegis. Federal authorities confidently expect that sooner or later similar negotiations will be conducted with Ontario. At present such negotiations have not been held.

Ottawa made its proposition, and it is now considered clearly up to Ontario to state its position.

The general expectation here is that within the next two or three months (perhaps sooner) the whole matter will be cleaned up and that representatives of all the provinces (Ontario included) will come to Ottawa.

Meanwhile, departmental officials explain that those who wish to pay their taxes by installments should estimate their entire income on the basis of what they have earned so far this year. At the beginning of next year, when full 1941 income is known, an adjustment should be made to make the final installments fit the estimated total tax.

As for Ontario taxes, their advice is: "Ask Premier Hepburn."

MEN'S SHOP
FINE APPAREL FOR MEN

Real Silk English
FOULARDS

Imported by the Men's Shop from England for well-dressed Toronto men. Hand made from real silk in a colourful variety of tasteful, distinctive patterns. Men everywhere appreciate their quality, the way they tie, and their handsome appearance.

Each, from 1.50 to 3.50

Free Parking While Shopping

THE MEN'S SHOP

EATON'S-COLLEGE STREET

Send Us More Bacon Britain Asks Canada

(Continued from page 1)

would be actually paid in cash by Britain.

Minimum, not maximum

The astronomical total of 600 million lb. requested by Britain, (it is considered a minimum, not a maximum requirement) reflects definite reversal of view by the British as to their wartime bacon needs. Although Canada had a quota of 296 million pounds under the 1932 Empire agreement the nearest prewar export reached by Canada was 192 million lb. in 1937. In 1938 we exported 170 million lb.; in 1939, 187 million lb. and in 1940, 345 million.

During 1941 exports have been running about 30% above 1940 and will total approximately the required 425 million pounds in the 11 months ending with September.

The 1941-42 figure is described as the positive minimum which U. K. will now require from Canada. It compares with an earlier estimate by Canadian officials that the most which Canada could be expected to do in 1941-42, would be about 550 million pounds with a 5% leeway on the downside to meet unexpected deficiencies.

Rationing For Canada

Whether this huge figure will require further rationing of pork products on the part of consumers in Canada remains to be seen but baconless mornings, voluntary or by decree, seem inescapable. It will be several weeks now before the fall run of hogs to slaughter begins. The run is expected to exceed anything ever experienced in Canada before. About mid-November it should be possible to determine how much if any Canadian consumers will be required to tighten their belts in respect of hog products.

The present restrictive campaign is estimated to be saving about 1½ million pounds a week (on the basis of the past four or five weeks). After the present campaign runs out in September, no further steps toward positive restriction will be taken until a better idea of the fall run is obtained. Chances of avoiding further restrictions are not bright.

Now Her Main Source

Until as late as this spring Britain had not given a very high priority rating to bacon. In the wartime national food budget drawn up prior to the war by Sir John Boyd-Orr, bacon was placed well down on the list. It was termed a "non-essential." Its priority rating came about 10th or 11th.

But since the spring two things have happened to change this.

1. Meat supplies from the southern hemisphere have been cut off entirely due to shipping difficulties.

2. British home supplies of meat have not been sustained due to falling off in grain for feeding U. K. livestock. Bacon has now been moved to No. 2 on the U.K. priority list.

As a result Britain's entire meat import requirements and indeed the bulk of her supply must now come from North America.

In beef, Lord Beaverbrook startled U. S. agricultural interests last week by placing that commodity among the four most vital foodstuff needs of the U. K.

In bacon the amount which U. K. would really like to obtain from North America is said to be well over the billion pound mark.

At least 800 million pounds will be needed to maintain the present ration alone. It is hoped that at least three fourths of the amount needed will come from Canada.

Want Heavier Hogs

One device by which Canada hopes to increase her production without further rationing of Canadian consumption is to increase the weight of "light" hogs. At present about one third of hogs marketed are below 200 lb. in weight. It is hoped to find another 25 million lb. for export by strengthening this end of Canadian production by bringing "light" hogs up to the full 200 lb. weight.

Another problem raised by this increased demand is that of feed. Ontario is said to expect a shortage of 40 million bushels in coarse grains due to poor crops. Discussions are now under way as to possible ways of making up this deficiency, either by moving coarse grains from west to east as was done on a limited scale last year, or by using wheat.

Last year only about four million bushels of coarse grains moved east under a rail subsidy to which Ontario and the Dominion contributed equally. Whether governments are prepared to subsidize a 10-fold increase in shipments this year has yet to be decided. But even if they were, farm experts can see no 40 million bus. surplus—or any surplus at all—of coarse grains in the West.

As far as wheat is concerned, the normal hog-grain price ratio is already at the place where feeding of low-grade wheat to hogs becomes profitable. But there is little or no low-grade wheat in sight as yet.

The question to be decided is how much, if any, high-grade wheat the Government is willing to release for this purpose.

Authorities say that it is now profitable to ship No. 1 Northern from western Canada to Ontario and feed it to hogs, They feel Canada ought to move some of its large surplus of high-grade wheat this way.

SCHOOLS AND COLLEGES

BRANKSOME HALL
10 ELM AVE., TORONTO
A Residential and Day School for Girls
Junior and Honour Matriculation—Nursery, Kindergarten and Junior School—Art—Music—Household Science — Secretarial Course — Swimming Pool—Skiing at School Farm.
School re-opens Sept. 10th
For illustrated calendar write the Principal
MISS EDITH M. READ, M.A.

St. Andrew's College
FOUNDED 1899
An exceptional boarding school for boys
AURORA, ONT.
Book of Views on request
K. G. B. KETCHUM, B.A., HEADMASTER

Consumers' Gas Sales at Peak

Gross sales of gas of The Consumers' Gas Co. of Canada for the year which ends Sept. 30, 1941, will be greater than in any other recent year, it is stated from an authoritative source. The gain so far in August has been in excess of 6% over August, 1940, and sales for the 10 months to July 31 have been 2.61% over the corresponding 10 months of the previous year.

Sales in subsidiary departments also are satisfactory, it is stated, with the prospect that the demands for industrial gas, directly and indirectly related to war work, will continue to grow.

Handling Cost of Living Bonus

(Continued from page 1)

gressive workers and at the same time ensure that all employees are protected against excessive rises in living costs. If living costs rise a further five-odd points, the general level of wages and salaries will be raised proportionately, but in the meantime, individual increases may have been effected. This method of adjusting remuneration was arrived at after learning the preferences of employees.

Bell Telephone

According to a recent statement by C. F. Sise, president, the company will pay a cost of living bonus to all craft, operating and clerical employees in accordance with the Government's wartime wages policy (P.C. 7440). As provided by the policy, the bonus is to be increased or decreased for every quarterly change of five or more points in the cost of living index. The company is also adhering to the official policy by freezing basic wage scales as long as 7440 is in effect.

The status of employees not embraced by the "craft, operating and clerical" classifications is now being considered by company officials, to determine whether any adjustment should be made in their pay.

Brewing Firm

To supplement an increase in basic wage rates a year ago, of $1 weekly to union employees, the company started paying a "living allowance" of $1.32 weekly last May, when the union agreement came up for review. The company proposed to review the agreement on a half yearly basis in the light of changed living costs, but the yearly contract basis has been retained. Owing to the periodic review of wage agreements, no formal cost of living plan is in effect, though any changes in living costs will likely be a factor in future negotiations on pay scales.

Salaried employees have all received increases averaging roughly 5%, the rise being greater in the lower brackets.

Can. Wirebound Boxes

General wage increases were put through in January and June of this year. These have ranged up to 14% and in a majority of cases are thought to cover the rise in living costs. A more definite policy directly tied in with living cost changes is being discussed, and a new plan may shortly be put into effect.

Crane Limited

All employees but high salary executives began getting a living cost bonus of 5% of earnings in July, 1940, subject to review every three months. This was increased to 7% of pay in October last year, and is still at that level. The bonus goes to plant workers in the company's four plants—Port Hope Sanitary Manufacturing Co., Port Hope; the Crane Ltd. and Warden-King plants in Montreal; and the Canadian Potteries factory at St. Johns, Que.—and to office and clerical workers at both the plants and the company sales and distributing branches across Canada.

The percentage basis of the Crane bonus differs with the Government policy, which suggests a flat amount bonus instead for all employees, regardless of earnings.

Campbell Soup

Employees of this company's plant at New Toronto, are not being paid a bonus but have received periodic increases in basic pay rates. These have been designed to compensate workers for higher living costs and war conditions generally, and have amounted to a cumulative increase of 20-24% in basic rates since the war began. This increase applies also to actual earnings, as workers are kept employed steadily through the year.

Clothing Manufacturer

No bonus plan has been adopted, but firm has given salary increases to non-union employees at the same time that adjustments were made in the wage scale for union workers. Agreement with union comes up annually, and at that time cost of living is taken into account, but formal adherence to the cost of living system of wage increases is not in effect.

Canada Packers

The company is paying $2.50 a week extra to every plant employee, including the office staff. This is in line with the official policy of Ottawa, and covers the rise in the living cost index since start of the war.

Can. Westinghouse Co.

Since July 1 has been paying a minimum of $2.15 a week extra to all employees. Where this would be less than 5% of the individual's salary or wages, the bonus is calculated at 5% of salary. The $2.15 was considered to be in line with the Government's policy when the company made its last revision of wage and bonus scales, in May and June. Further rises in the cost of living will be accompanied by revisions in the bonus scale. It is expected revisions will be made not oftener than every quarter although it is the intention to abide by the Government policy of a revision for every 5% rise in the cost of living.

Chartered Bank "A"

Is paying its employees a bonus of 5% on salaries up to $3,000. This began April 1. The minimum bonus paid is $30 a year. The bonus is paid every payday. In addition regular increases have been given but these increases are a little larger than in pre-war days. The initial salary paid boys and girls on entry into the service of the bank is the same as before. Individual increases given different men vary considerably. Many men are being promoted more rapidly than in normal times. In addition the bank pays living allowance in towns where the cost of living is higher than in others. For instance, a teller in Windsor gets a living allowance of $100 extra because the cost of living there is up because of war activity.

Chartered Bank "B"

Has a plan of giving married men getting up to $4,000 a year, $100 a year extra. Single men getting up to $1,800 a year get $50 a year extra. This is in addition to the regular increases which each employee receives each year. This is not considered final action but is subject to revision.

Chartered Bank "C"

Is paying a bonus which begins at 6% on the lowest salaried group and is scaled down as salaries increase. The steps are about $1,000 at a time with a drop of 1% in the bonus. Thus roughly a man getting $1,000 or less would get a bonus of 6%; $2,000 or less, 5%; and so on. A man getting $5,000 or under down to say $4,000 would get 2%. Above $5,000 no bonus is paid.

T. Eaton Co.

Recently the company started to pay a weekly bonus to all employees except executives, supervisors and others drawing salaries in the higher brackets. The bonus amounts to $2.50 a week for all full-time weekly employees, except women workers and men under 21 earning less than 50 cents an hour, who get 10% of their weekly earnings.

This is in line with the policy laid down by the Government, which calls for cost-of-living bonuses of $1.25 a week for each 5% rise in living costs since the war began; and 1% of weekly pay for every 1% rise in living costs for women and juvenile male workers whose wages are under 50 cents an hour.

The Eaton bonus applies to all employees in offices, stores, factories and mail order units throughout Canada, with certain special exceptions. Previously the company had been a paying a bonus of 5% of weekly pay.

Farm Implement Firm

A wage bonus of 5% of earnings has been paid to production workers since the spring of 1940, and since several months ago this has been supplemented by an extra bonus of three cents an hour. There has been no general revision of basic wage scales, but adjustments have been made and increases given in a number of individual cases as circumstances required.

Employees of the office staff are being paid a flat amount bonus of $1.50 a week, limited to those earning $3,500 or less. In addition, there were revisions of salary rates in Dec., 1939, and Dec., 1940.

Fire and Casualty Insurance Firm

Is not paying any cost of living bonus but expects to do something of this kind before the end of the year. Employees are being given increases at regular intervals with these increases slightly larger than in pre-war times. Initial salaries paid new employees are also slightly higher. Thus a girl taken on previously at, say, $60 a month is now being paid $65 a month.

H. J. Heinz

Officials of this concern have just completed a survey of various methods of paying bonuses and otherwise absorbing wartime living costs; of conditions as they affect company employees; average earnings and pay rates of workers, etc. From this plans have been drafted for payment of a bonus or similar adjustment, and it is expected this will be put into effect shortly. In the meantime, basic wages have been increased to offset war reduction in purchasing powers.

Imperial Oil

All salaried employees with exception of higher paid executives get flat amount bonus of $2.40 a week or $10.40 a month on the basis of four and a third weeks to a month. Workers in all plants but one across Canada, and hourly paid wage earners in other divisions, are paid a bonus at the rate of 6 cents an hour for a 44 hour week, which works out at $2.64 a week or $11.44 a month. In one plant where the 40-hour week has been retained, workers get bonuses at the rate of $2.40 a week.

The Imperial Oil bonus was computed on the basis of a 10% increase in living costs, though at the time it was put into effect last spring the cost of living index had risen only 7.3% since start of the war. By now the bonus basis is closely in line with the actual rise in living costs.

The amount of the bonus was calculated for salaried employees against a base pay rate of 50 cents an hour for a 48-hour week, or $24 a week; for wage earners on a base rate of 60 cents an hour. There have been no changes in basic rates of wages or salaries.

The bonus was thus worked out in line though substantially ahead of the living cost index basis recommended in the Government wartime wage policy, but did not adopt the policy's rule-of-thumb method of computing the amount of bonus—25 cents a week for every one point rise in the index since the war began or since any subsequent pay adjustment.

Under the policy, salaried employees might now be getting slightly more than they are, but they would have got less when the Imperial bonus was started and the official policy applies primarily to plant workers, anyway. The Imperial plant workers are still getting more than the policy provides for on the basis of a 10% rise in living costs, especially as the policy was worked out on a hypothetical base pay rate of 50 cents an hour for a 50 hour week, or $25 a week. It is on this basis the policy recommends a flat rate bonus of 25 cents a week (1% of $25) for every one point (in effect 1%) rise in the living cost index.

MacLean Publishing Co.

Since the end of June the company has been paying a flat amount cost-of-living bonus of $1.25 a week to all full-time, hourly paid, wage earners in the plant departments, including paper handlers, caretakers, porters, etc. The amount of the bonus was set in line with the recommendation of the Government policy that bonuses should be designed to meet rises in the living cost index since prevailing wage rates were established.

In addition, the company recently began paying bonuses of 5% of earnings to members of business office and editorial staffs, earning up to $1,300 a year, and a flat bonus at the rate of $65 a year to those married or with marriage status earning between $1,300 to $2,000 a year.

Maple Leaf Milling

Since Aug. 1, all plant and office employees have been receiving a living cost bonus of $2 a week, subject to review every three months. Prior to this time, which is the start of the company's new fiscal year, lump sum bonuses had been paid in an effort to offset the effect of higher living costs on employees. One was paid in July, 1940, and another of somewhat larger proportions in June of this year.

The company bonus is equivalent to the Government bonus rate of 25 cents a week but computed on a basis of a living cost rise of about 8% rather than the actual 10% since start of the war. However, the lower rate is offset by the lump sum bonuses previously paid. There have been no general increases in basic pay rates.

National Cash Register

Early in August, the company began paying living cost bonuses of $1.98 a week or 36 cents a day to all married employees, and $1.43 a week or 26 cents a day to single workers, chiefly girls and boys getting lower rates of pay. Neither amount is as high as the bonus recommended by Government policy, which also advises against differing rates for various classes of employees. The company's bonus is not intended to absorb all the rise in living costs since the war but only about 8%, as increases in basic pay have been given fairly generally through the plant. There has, however, been no inclusive raise in all basic pay rates.

Robert Simpson Co.

Is paying employees on the regular staff as of Jan. 31, 1941, a weekly wartime bonus above regular pay as follows:

Those earning $50 a week or less, whose rate of pay has been increased since July 1, 1940, 5% of pay.

Women employees and men under 21 who are earning less than 50 cents an hour, 10% of pay.

• To all other regular employees, $2.50 weekly for a full time week.

In addition, the company is paying to married men on active service $2.50 weekly and to single men $1.25 weekly.

Sherwin-Williams

Effective July 1, a cost-of-living bonus of $1.25 weekly was begun for male employees, 62½ cents weekly for female employees. The bonus is paid only to those earning $1,800 a year or less. Officials state that in many cases hourly wage rates had already advanced by amounts greater than the bonus itself.

Toronto Transportation Commission

All hourly paid operating employees receive wartime adjustment payments of 5 cents an hour above basic wage rates, subject to review every three months. While not classed as such, this ranks at least partially as a cost of living bonus and is avowedly similar in aim. The Commission began paying the adjustment at the rate of three cents an hour in Oct., 1940, when corresponding adjustments were also made in the pay of weekly and monthly salaried employees. The additional two cents an hour adjustment for wage earners went into effect in June of this year.

For a man working 48 to 50 hours a week, the adjustment would amount to $2.40 to $2.50 a week, about equal to the bonus called for under the Government bonus policy. In addition, the working time and average earnings of operating workers have been greatly increased in comparison with the reduced hours which had to be put into effect during the depression years. The depression also resulted in graduated percentage pay cuts for salaried employees, whose pay has now been restored to a normal basis.

Life Insurance Firm

Has so far stuck to its system of giving regular increases to employees. Since the cost of living began to rise, the company has made increases larger than in pre-war days. The initial salary at which new employees are taken on is also larger than formerly.

In certain cases, where it is felt low salaried employees are suffering because the National Defense Tax is reducing their income below a reasonable subsistence allowance, it is the intention of the company to give a bonus. This bonus will not be at a flat rate but will meet each individual case.

Life Insurance Firm

Is not paying any cost of living bonus at present, but is adhering to its practice of giving everybody an increase on their employment anniversary date, low salary brackets as well as high ones. Since the cost of living rose these increases have been larger than they were in pre-war days. It is believed a temporary bonus will soon have to be paid to employees to offset higher taxation and higher cost of living.

Private Buying

Women are notional. Druggists have found they can attract more women to their, stores, keep them longer and sell them more by departmentizing their stocks. Departments which pull women, so Drug Merchandising reports, are a baby products section, a cosmetic section, and a section specializing in items distinctly feminine in their character and function. Many women shopping in drug stores want to be out of sight of men when making their purchases.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Dominion—Canada Treasury Bills	Aug.		..	Nov. 14 '41	$40,000,000	99.859	0.564%

Investors' Index

Aug. 23, 1941

Aluminium Ltd.	8	Inter. Paper	8
Bell Tel.	8	Louisiana Land	4
B. F. Goodrich.	4	Mackenzie Air.	8
Can. Dredge	7	McGillivray Ck.	4
Can. Paving	16	Moore Corp.	11
C. S. Steamship.	11	Muirhead's	10
Candn. Vickers.	11	N. S. Light	3
Cons. Paper	11	Page-Hersey	11
Distil.-Seagrams	4	Provincial Light	16
Famous Players	2	St. Maurice	5
Foundation Co.	13	Stan. Reliance	11
Gatineau Pwr.	11	Twin City Tr.	4
Georgia Hotel	10	Western Steel.	10
Great Northern	8	Willson Station.	4
Imperial Oil	11	Zeller's	7

MINES AND OILS

Bralorne	14	Mont. Tram.	13
Cent. Zeballos	14	Naybob	14
Cournor	14	Pascalis	15
Faymar	14	Paymaster	14
Hayes Cadillac.	14	Pioneer	13
Int. Min. Corp.	4	Preston	14
Jason	14	Queenston Gold	14
Laguerre	14	Rand Malartic	14
Leitch Gold	14	Surf Inlet	14
Macassa	14	Wampum Gold	13
Magnet	4	Wr.-Hargreaves.	14
McMarmac	14		

REGULAR FEATURES

Banking	10
Bond Markets	8
Bond Quotations	12
Business, Week in	7
Commodities	13
Company Reports	4, 10
Editorial	6
Foreign Exchange	4
Insurance:	
Fire and Casualty	10
Life Insur.	10
Investment Trends	4
Enquiry Letters	11
Market Opinions	4
Stock Quotations	12
Mining, Week in	14
Mining Quotations	12
Mining Enquiries	14
Oils, Week in	14
Oil Quotations	12
Pulp and Paper	8
Wheat, Week in	13
Wheat Quotations	13

Gas Saving Still Short Of Goal

(Continued from page 1)

mated to have attracted more American tourists this year than in any year since 1929 and to have outstripped the rest of the Dominion in this respect. Quebec has also received a large share of the new war plants and a greater proportion than elsewhere appear to be located away from established centres, necessitating increased use of private automobiles for worker transportation.

Despite these factors the third week ending in August showed a sharp drop in Quebec consumption, according to one of the largest distributors in the province, and consumption is now below last year.

Rationing Favored

Opinion of distributors on the question of whether the voluntary curtailment will prove adequate appears still to be divided. But the majority appear to favor a formal rationing scheme and enforced reduction in speed limits to the 40 m.p.h. recommended by the Oil Controller.

While it is anticipated that the rate of saving will improve substantially after Labor Day, it is felt that greater effectiveness could be achieved under a formal plan.

Two Theatres Go To Odeon

Loss of Hamilton Units Last Expected by Famous Players

Transfer of the two theatres operated under lease from Hamilton United Theatres by Famous Players Canadian Corp. marks the last important shift of theatre management likely to occur for some time, The Financial Post is officially informed. The two theatres will from Aug. 31 be operated by the rival Odeon circuit.

Remainder of the theatres under the control of Famous Players are under agreements for three years or longer, with the larger units under contract for 10 years or more in most cases.

Three Units Shifted

Loss of the Hamilton theatres follows that of the Uptown Theatre in Toronto, which will in future be operated by the owners, Marcus Loew's Theatres Ltd. The Uptown will be replaced as a Famous first run theatre by Shea's, a downtown unit which is being renovated. Comparative seating capacity is 2,734 for the Uptown, 2,663 for Shea's.

The changes in the two cities are expected to result in somewhat lower earnings in Toronto, but company officials anticipate that in Hamilton earnings may actually be improved. Rental paid for the Hamilton units has been regarded as excessive under current conditions, absorbing a large part of potential profits. Famous Players will continue to maintain one first-run Hamilton theatre and will participate in the operations of a second first-run unit, together with other affiliations in the city.

Earnings Gain

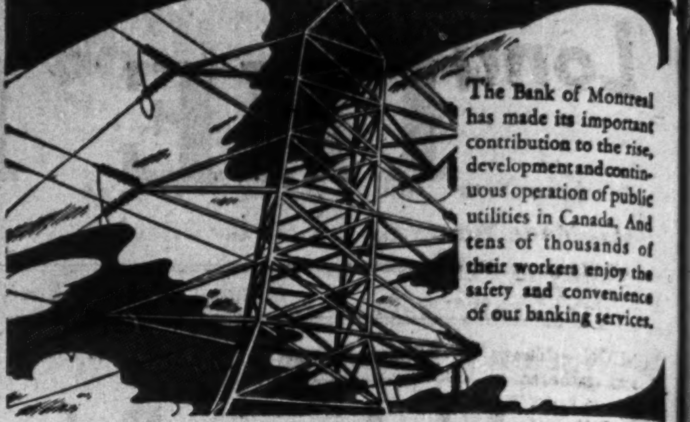
Despite the loss of three theatres at the end of this month Famous Players will have more theatres in operation than in June. The additions are largely neighborhood units and theatres in smaller cities and towns.

Earnings in the current quarter, a normally poor earnings season, are stated to be substantially ahead of a year ago. Moviegoers have apparently become completely reconciled to the 20% increase in admission prices caused by the recent Dominion tax, and attendance has resumed the upward trend in evidence earlier in the year.

The general programme to increase the popularity of Famous Players theatres as such is being continued. For the first time Famous will have an exhibit this year at the Canadian National Exhibition.

Soaked In It

The Anslow family in New Brunswick is dyed with printers' ink. Harry B. Anslow has been publishing the weekly newspaper of Campbellton, N.B., for 37 years, and is the son of a country weekly newspaper publisher, the late William Anslow. Harry has a son and a daughter associated with him in his Campbellton enterprise, and another son, Gordon, is the publisher of a weekly newspaper in Dundas, Ont. This year marks the jubilee of Harry B. Anslow's connection with publishing and printing, for it was in 1891 that he joined his father's business. Another Anslow, H. S., publishes the Hants Journal, Windsor, N.S.



The Bank of Montreal has made its important contribution to the rise, development and continuous operation of public utilities in Canada. And tens of thousands of their workers enjoy the safety and convenience of our banking services.

Serving Canadians and their industries in every section of the community, we invite you to discuss YOUR banking requirements with us.

BANK OF MONTREAL
"A Bank Where Small Accounts Are Welcome"
Modern, Experienced Banking Service... *the Outcome of 123 Years' Successful Operation*

Why Mackenzie King Has Gone to London

(Continued from page 1)

serious consideration as to ways and means that this huge "debt" could be liquidated in the postwar years. Canada has not worried about that. The main object has been to see that Britain gets the supplies. The writing of the figures in the book is a temporary convenience and few officials ever envisaged a postwar action by Canada to demand payment in full as the United States did with its British "war debt." Canada has sent the supplies that were needed, regardless of what settlement or payment might ultimately be made for all or part of them and has left the problem of settlement to be discussed in a more peaceful and happier day.

Psychological Value

In some circles in the Capital the feeling has grown that there might be substantial advantages—psychological as well as financial—in keeping the amount for ultimate settlement as low as possible, even if this meant huge outright gifts by Canada to Britain.

It is pointed out that such outright gifts are already very generous, even if one regards Canada's army, navy and fighting air squadrons, as well as our contribution to the air training scheme, as straight Canadian participation in the war rather than a gift to Britain. For instance, Canada pays 2½ cents a pound of the cost of every side of bacon that is shipped to British breakfast tables. We pay substantial subsidies in connection with cheese and other farm products. We handle all British purchasing here without cost.

The agricultural subsidies amount to quite a substantial sum and will be particularly costly in the coming year when Britain has asked Canadians to reduce drastically their consumption of bacon while increasing their production of hogs in order that Britain may have 600 million pounds of bacon from Canadian farms.

In round figures Ottawa seems to be talking of a further annual contribution to Britain of around $200 millions to $300 millions a year. From the standpoint of treasury accounting it really makes no difference whether this is given outright in cash, is taken off the price of foodstuffs sent to Britain, is shipped over in the form of gifts of wheat, or is paid by assumption of the entire British contribution to the Air Training Scheme.

Ottawa is not unmindful of the immense psychological value of such a further magnificent contribution by Canada to Britain's war effort. The effect, it is thought, would be excellent at home, although it is noted that two French language newspapers took exception to the idea when it was first hinted at in The Financial Post a couple of weeks ago.

Particularly in the United States would the contribution be of value in offsetting the charges—thoroughly specious but nevertheless much reiterated—that Canada is "profiting" by the war, and sell to Britain for cash while the United States gives freely.

In the Prime Minister's portfolio there are believed to be papers covering every phase of this subject, papers as weighty in their importance as those prepared for him by high officials of the Department of Finance when he went to Hyde Park and concluded a new agreement for United States assistance in meeting our critical foreign exchange problems.

Canada's Munitions Plans Unaffected by Ocean Meet

From Our Own Correspondent

WASHINGTON. — The historic agreement between Churchill and Roosevelt—and the new programme of co-ordinated U.K.-U.S. war effort whch results therefrom—will have no repercussions on Canada's munitions programme, it is authoritatively learned here.

For Canada is already engaged in a programme which consumes all the energies of her productive machinery, it is declared. Canada is estimated currently to have reached about 60% of her total production commitment with the rate moving up five to seven per cent monthly.

This means that new facilities are being hooked into the national war plant rapidly and suggests that by April or May of next year, Canada's productive machinery will be running full out.

As a result of this situation, it is understood, no proposals for making further demands on the Dominion's productive machinery were entertained at the Atlantic Ocean conference.

Steel Supply Situation Clearing

From Our Own Correspondent

WASHINGTON.—The steel supply situation, so far as the Canadian war programme is concerned, is rapidly clearing, it is learned in informed quarters here.

Last week it appeared that adequate supply for Canada was threatened because of the increasingly grave situation in the United States and by the feeling here that the Canadian steel control system was much less strict than that in this country.

By this time, however, the situation has been clarified and no Canadian shipyards have been slowed up for lack of steel. It is now asserted that there is ample steel available for Canadian needs, provided Canada is properly organized to make the best use of the supply available.

Output of Paperboard Increases in U. S.

From Our Own Correspondent

MONTREAL.—Production of paperboard in the United States during June totalled 504,413 tons, against 526,286 tons in May and 440,725 tons in the same month last year, according to the U.S. Department of Commerce.

The June total was the largest on record at the Department, representing 82.3% of capacity in June, against 89.4% in May and 77.8% in June, 1940.

In the first six months of the current year output of paperboard amounted to 2.9 million tons, or 85.4% of capacity. This compares with 2.6 million tons, or 73% of capacity in the corresponding period of 1940.

At June 30 last unfilled orders amounted to 383,534 tons, contrasted with 370,151 tons at May 31, and 195,037 tons at June 30, 1940.

Flour Exports Up Sharply

Exceed Previous Month's Record — Wheat Shipments Also Higher

Canadian flour exports in July showed an enormous gain over last year. Total exports of 1.9 million barrels were more than six times those of the same month last year and exceeded June shipments by 170,000 barrels. The average price at $4.03 a barrel was slightly higher than in 1940 and substantially above the prewar level.

Wheat exports in July were also substantially higher at 19.3 million bushels against 11.8 million bushels last year, but lower than the 22.1 million bushels shipped in June. The price was fractionally higher. Details of wheat and flour shipments as reported by the Dominion Bureau of Statistics follow:

Flour Exports

July	Bbls.	$	Av. Exp. Price $
1938	282,985	1,375,186	4.86
1939	403,377	1,153,970	2.86
1940	313,864	1,250,957	3.98
1941	1,921,835	7,740,306	4.03
First Seven Months:			
1938	1,934,316	10,640,096	5.50
1939	2,626,675	7,849,129	2.99
1940	4,065,870	16,173,935	3.98
1941	7,383,795	28,177,889	3.81

Wheat Exports

July	Bushels	$	Av. Exp. Price $
1938	7,245,115	7,455,209	1.03
1939	13,780,554	8,238,163	0.60
1940	11,867,516	10,072,905	0.84
1941	19,346,333	16,284,165	0.84
First Seven Months:			
1938	33,031,978	37,942,180	1.15
1939	65,094,021	39,744,037	0.61
1940	79,569,798	70,995,148	0.89
1941	118,367,659	99,011,633	0.83

Biggest Reader

Who has the largest private library in Ontario? One man who may be the answer is Hon. Dr. Duncan McArthur, Ontario's Minister of Education. Of him Lucy Swanton Doyle in Canadian Homes and Gardens says that he is the man who perhaps reads more books than any other in the province, and in Toronto he has three rooms devoted to books

London Calling

By Atticus

"I Have Never Believed That a Man Who Has Made Money is Necessarily Inferior in Ability to Fellows Who Have Never Made Any at all," Says he of Cognac Fame

LONDON.—Many Conservative stalwarts gathered at luncheon to do honor to Lord Windlesham, who is retiring as Vice-Chairman of the Party after serving for 10 years. Quite properly Sir Douglas Hacking, the Party Chairman, presided, Sir Kingsley Wood beamed on us all, Lord Marchwood, the Party Treasurer, looked as if money was farthest from his thoughts, and W. S. Morrison showed that long residence in the South has not robbed his Scottish voice of any of its forthright quality.

Lord Windlesham made a sound, common-sense speech, despite being obviously moved by the fact that he was leaving the Party organization. He is an interesting study of a man. As one of the good-looking Hennessy family that left Ireland for France, founded their Cognac fortunes and then came back to this country, he shows the duality of his Irish-French background. Yet in temperament and thought he is basically English.

"I may not have hit any boundaries to bring the crowd to their feet," he said, "but I've added a few runs to the total that the other fellows will have to beat. And we shall be in for some pretty tough body-line bowling."

His last remarks concerned the habit of constituency associations preferring wealthy candidates to the eager but impecunious younger men. "I am not sure," he said, "but that the best plan would not be for a settled tariff of election expenses to be paid by the Treasury." Sir Kingsley Wood winced, but made no comment. "At the same time," said Lord Windlesham, "I have never believed that a man who has made money is necessarily inferior in ability to fellows who have never made any at all"—a truism that needs saying.

* * *

The Successor

The new Vice-Chairman is Major "Tommy" Dugdale, who probably looked mature when he was very young, but has looked surprisingly youthful ever since. Like Lord Windlesham, he was educated at Eton, which seems to show that the famous college is still to play a dominant part in the destinies of the party. I have never met anyone who did not genuinely like this thickset, quiet-voiced 44-year-old ex-officer, with his unobtrusive tact and a smile like Mona Lisa's brother.

He served in the last war with the Scots Greys and afterwards with the Yorkshire Hussars, entering Parliament in 1929. Two years later he became Parliamentary Private Secretary to Sir Philip Cunliffe-Lister (now Lord Swinton), and followed him from the Board of Trade to the Colonies and finally to the Air Ministry. After that he became Parliamentary Private Secretary to Mr. Baldwin and sat faithfully behind that statesman as he cast his twilight spell upon the House. Major Dugdale was tipped heavily to succeed Captain Margesson as Chief Whip, but was serving in the Middle East when the change took place. Now he is back looking as if he had been to nothing more exciting than a week-end party in the Isle of Wight.

* * *

A Brave Man

The posthumous award of the George Cross to the late Earl of Suffolk has at last revealed some of the astonishing story of this brave man's career. He belonged completely to the Pimpernel tradition even to the easygoing, dilettante pose, with the long cigarette-holder and the hands of an artist. Some time in his career he had been a Guards' officer, a sailor, a farm hand and an enthusiast of the theatre. But supremely he was a scientist and a man of adventure. It has already been told how, on the fall of France, he seized the supply of certain chemicals as well as a large number of commercial diamonds and got them safely here. But I can supplement those details.

When he reached the Ministry of Supply he said to Harold Macmillan, the Under-Secretary: "Here is a large-scale map of the French coast near Bordeau. I've arranged for a party with more of this stuff to hide at that spot. Send a ship over and flash lights. They will be there all right." Which proved perfectly true. His bravery as experimental officer of the Directorate of Scientific Research at the Ministry of Supply became a legend. He attracted brave men and women to him, and they dissected unexploded bombs as if they were mere nursery toys.

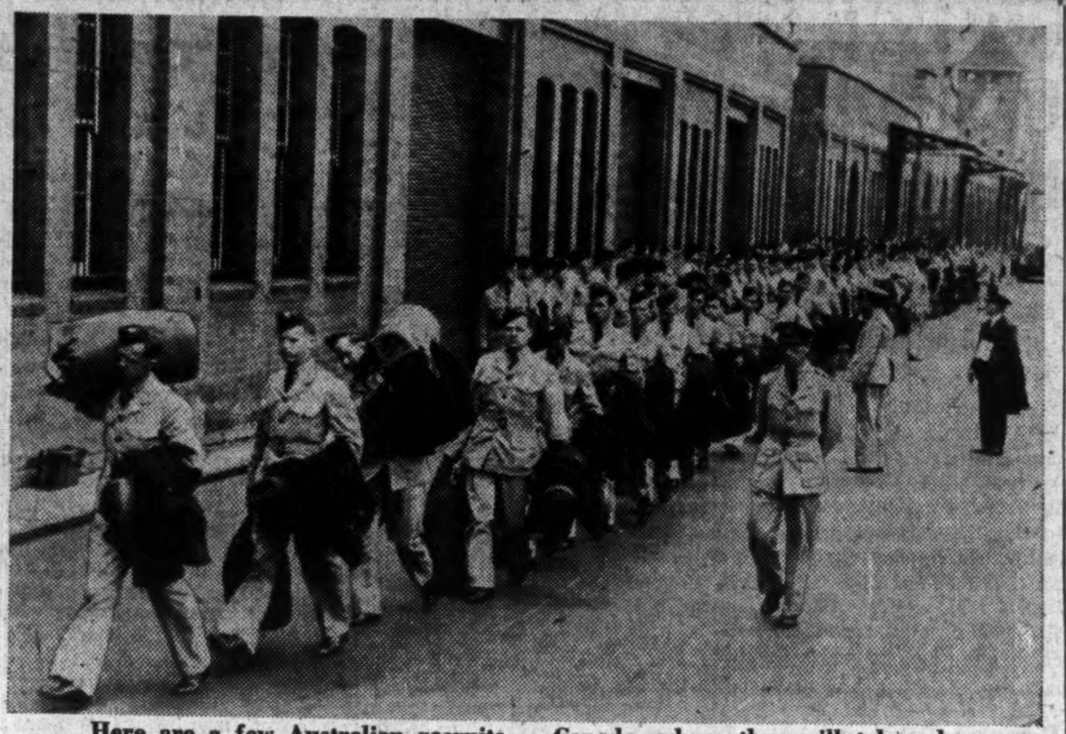
* * *

They Come — They Go

Mr. Harry Hopkins, with his soft drawl, his air of fireside detachment, and his burning zeal for the cause of freedom, has brought great encouragement to us again. To balance this most welcome importation we are sending two Campbells to the U.S.A. (Sir Gerald and Sir Ronald), and Victor Cazalet gave a farewell party for them. American journalists were there in force, including the admirable Quentin Reynolds, while Duff Cooper looked in. Our Minister of Information has changed under the bludgeonings of chance. He has mellowed and broadened. No longer does he appear to dislike his fellow-creatures, but seems actually fond of the human species. Propaganda has struck a note of music in his breast, and he has made many firm friends in the newspaper world. If rumor is correct, I wish him continued success in his new sphere.

Sir Gerald Campbell, grey, experienced and kindly, is for New York as Chief Publicity Officer. Sir Ronald, dark, reticent and diplomatic, goes as Minister to Washington. I am not surprised that Sir Gerald has been an outstanding success in Canada and the United States. He has a complete lack of side, but makes no attempt to be effusive. He can hold his own in any village grocery shop debate in America round the stove—and that is where public opinion is formed over there.

Copyright, 1941, The Financial Post and The Sunday Times, London.



Here are a few Australian recruits for the Empire Air Training Plan, swinging onto shipboard en route for Canada, where they will take advance training prior to going into the skies to fight for democracy.

Probe Halifax Power Rates

From Our Own Correspondent

MONTREAL.—The City of Halifax has launched an investigation into rates for electricity supplied by Nova Scotia Light & Power Co. If the probe reveals the measure warranted the city will apply to the Public Utilities Board for a new interim rate on energy.

The city solicitor, C. P. Bethune, has advised the council he believed earnings of Nova Scotia Light in the Halifax area have increased considerably from sale of electricity and a new interim rate should be considered until the valuation is completed.

Interim rates were set in October, 1937, until a valuation of the company was made. The valuation has been proceeding since that time and in view of the length of the proceedings the city solicitor recommended an investigation into the delay.

Keeping Posted . .

By JOHN C. KIRKWOOD

Air-conditioned commercial establishments are pulling customers away from competitors not air-conditioned. One department store head said to the editor of Heating, Cooling and Piping: "Our installations have cost us a lot of money. Our water bills run high to supply them. But they are also saving us a lot of money in keeping our stocks clean. This is a most important and large item. Our general health is good. The staff seems to thrive on our air-conditioning. We have no appreciable amount of colds." Customers prefer dress departments which are air-cooled. An air-cooled shoe store attracts customers. Men's wear stores which are air-conditioned, and also women's fashion stores, find their customers willing to stay longer in the store, with advantage to the store's sales.

An article entitled "Air-cooled Profits" in the current issue of Heating Cooling and Piping should be read by all retailers, restaurant and hotelmen, and theatre operators.

* * *

30,000 Workers

Canada has 14 major aircraft plants, plus an indeterminate number of subcontracting concerns. Employment in this mushroom industry is approximately 25,000 today, and will be 30,000 before the end of the year. So says the authoritative Canadian Machinery and Manufacturing News.

* * *

Business Up 75%

The majority of highway transport operators are carrying 75% more freight than they did before the war, with operating costs increased at least 25%, due to wage boosts, additional taxation, the higher cost of gasoline, and higher maintenance costs. Some fleets are practically doubled. In Waterloo one concern operating 30 vehicles a little more than a year ago now has 65 units on the road, according to Bus and Truck Transport.

* * *

Plastic Plates

Ontario is considering the use of plastic license plates, the idea being to conserve steel for war use. Several hundred tons of sheet metal are used every year for the making of these plates. But if plastic plates be used, they will not be ready before 1943 requirements.

* * *

What! No Lingerie?

Durability is now the thing that counts in clothes — especially in Great Britain, where clothes are being rationed. The restriction is not on the amount of money paid for clothes but on the number of garments which may be purchased. Women with scanty wardrobes are saving for winter coats and dresses. When a woman provides for her outerwear, there will be little left for corsets, lingerie or nightwear.

The opinion has been expressed—so reports Stylewear—that undergarments may be dispensed with. Meanwhile there is lots of work for the renovators and restylers.

* * *

Patriotic Bathrooms

Apparently bathrooms may become school rooms—places to learn things for fountainheads of patriotism. At a convention of plumbing manufacturers in the United States, delegates were shown bathrooms done in red, white and blue. In one bathroom the fixtures were white, with red and blue background trimmings and accessories. Shower and window curtains were in blue and white oiled silk. Towels were red initialled in white. In one bathroom the tub was blue. The idea was to rouse the patriotic spirit of bathroom users, and, no doubt to turn bathtub tenors from romantic ballads to martial airs.

* * *

Cosmetics Control

The cosmetic industry is its own policeman—always on the lookout for advertisements which seem to be more imaginative than factual. Thus, it has tightened up advertisements of some manufacturers which have claimed that creams penetrate the skin, that vitamins are valuable additions to cosmetics, that certain oils tend to prevent splitting of finger nails, that some hair preparations have a tonic effect, that certain lotions stimulate circulation. It may be that some of these claims can be substantiated up to a point, but reliable scientific proof should be provided.

* * *

Irish Refuge

How did Peterborough, Ont., get its name? The original name was Scott's Plains. Adam Scott built a grist mill and a sawmill in that district in 1818. Then Hon. Peter Robinson, a go-getter in those early Upper Canada days, got the idea that this section would be a fine place for Irish immigrants. To the Green Isle he went and induced 2,000 discontented Irish families to come to the Scott's Plains section.

The story of Peterborough, past and present, is told in Maclean's Magazine.

* * *

Want One?

The small home—custom-made to fit the family—is getting far more attention than for many years past, and for good reasons, most of them economic. Architects are concentrating their genius on the small house, and Canadian Homes and Gardens shows a good selection.

* * *

Bundles for Britain

Coupon clipping has taken on a new ardor in Great Britain. But these relate to clothing. In telling about clothes rationing, Men's Wear Merchandising points out that your friends in Britain will bless you if you send them clothes, and you need not bother your head about fit, fashion or color when making up your bundle.

* * *

Figures and Facts

Anyone interested in the motor car industry would find the book, The Automobile Industry, by E. D. Kennedy (McClelland), interesting. It is a study of the financial phases of the industry from its earliest days. It gives the number of cars and trucks produced each year by the leading makers, the unit retail prices of each make of car in each year, the total sales income each year of the leading makers, and the profits earned each year. But this sort of information is given in association with stories of the pioneers of the industry and their struggles, successes, failures, rivalries, and so on. This book is a story of personalities.

B. C. Meets Maturities of $2 Millions

From Our Own Correspondent

VANCOUVER.—British Columbia met two additional maturities of $1 million each last week in connection with the public debt.

One of the loans was for Pacific Great Eastern Railway construction under the Loan Act of 1921. The other was for the establishment of the Department of Industry in 1919.

The latter institution has long since been abandoned. It was created originally for the purpose of re-establishing returned soldiers in industry and providing capital for post-war business.

There were a few complete failures; in some cases the interest charges were whittled down to make it possible for struggling enterprises to continue operation. But two important companies owe their existence to the legislation—Sidney Roofing & Paper Co. and Western Canada Cordage Co., two of the largest organizations of their kind on the coast.

The last statement submitted to the Legislature showed that there were eight loans outstanding on which $169,010 owing on capital account, and $45,401 was due for interest. Lapsed loans totalled $467,381 on capital account, while lapsed interest amounted to $95,464.

Switch to Coal In Canneries

From Our Own Correspondent

VANCOUVER.—John M. Buchanan, general manager of B.C. Packers, Ltd., was made a vice-president of the company at the annual meeting.

Other officers and directors were re-elected without change.

Mr. MacMillan announced that in line with the policy to conserve oil two of the company's canneries will be converted into coal burners, and arrangements are being made to make the necessary changes in other plants later.

Salmon packers are well satisfied with the pack to date and the catch for the first eight weeks of the 1941 season has been the best in five years—641,555 cases, with sockeye showing the heaviest gain—386,814 cases compared with 319,818 cases for the corresponding period last year.

A big pack this year is of paramount importance in view of the heavy commitments made to the British Ministry of Supply by the industry. Roughly two thirds of the total pack or a minimum of 980,000 cases will be shipped to the United Kingdom under the terms of the sales agreement negotiated this summer.

Negotiations over prices and division of shares delayed seining operations off the coast for several weeks, although gillnet fishermen were active all season. Now the industry is in full stride, however, and conditions have been exceptionally favorable for fishing.

If Mailing Means Overtime...

It doesn't take many hours of overtime to put a crimp in next day's out-put . . . If mailing is the cause of overtime in your office, the Pitney-Bowes Postage Meter can be a time saver.

Printing Meter postage directly on envelopes takes less time than moistening and sticking ordinary stamps . . . The Meter prints stamp, postmark and your own advertisement, seals the envelope flap—all in the turn of a die. The Meter provides any kind of postage needed, takes less time than separating and sticking ordinary stamps. Even on mixed mail—letters, bulky packages, parcel post, the Meter often does the job in half the previous time.

The Postage Meter gives absolute postage protection, automatically accounts for postage, too. Metered Mail doesn't wait in the post office for post-marking or cancelling, can make earlier trains.

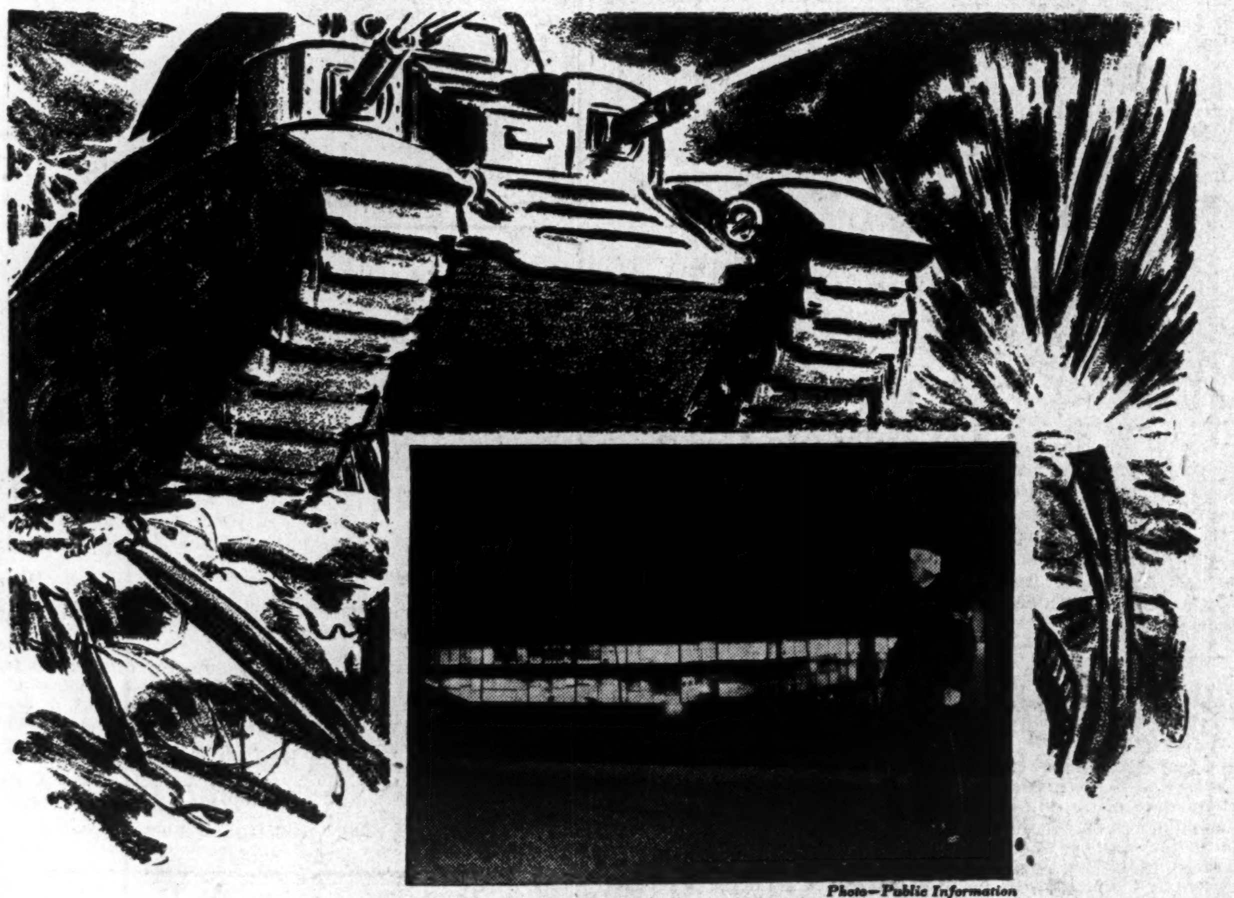
Time saved in your office—and in delivery of mail soon pays for a Postage Meter. Call our nearest office for a demonstration in your office . . . or send the coupon—now!

The Canadian Postage Meters & Machines Co., Ltd.

181 KING ST. WEST, TORONTO Branches: Montreal, Winnipeg, Vancouver
Agencies in Principal Cities Consult Your Telephone Directory

Canadian Postage Meters & Machines Co., Ltd.,
481 King Street West, Toronto
☐ Mail me "The Great Grimblestone Survey."
☐ When may we have a demonstration?
Name ....
Company ....
Address ....

Barrett Protects Canada's Vital Industries



Photo—Public Information

Keep Them Burning...

those fires in the smelters . . . those lights in the factories . . . those hopes in our hearts. They are the beacons of victory . . . the tangible evidence of democracy at work.

In this "all out" fight for freedom, so much depends on the ability of Canadian plants to turn out vital war materials quicker and in increasing quantities . . . every extra hour . . . every extra day means much.

To keep on working, those plants need protection . . . not only from sabotage but from rain, storm, hail, sleet, snow and sun. A sound roof and building are of utmost importance.

That's where Barrett is helping Canada's war production, for the majority of these important buildings are protected by Barrett felt, pitch and gravel built-up roofs on the flat decks and Steep Pitch or S-I-S* on the slopes. Most outstanding of all is the "Barrett Specification Roof"—bonded against repairs or maintenance for 20 years—many of which were built at the time of the last Great War and still giving trouble-free service.

Put Barrett on guard over your plant.

Barrett Specification* Roofs

"Between the World and the Weather Since 1854"

The BARRETT COMPANY LIMITED
MONTREAL TORONTO WINNIPEG VANCOUVER

*Trade Mark Reg'd

The letter that became a "Horrible Example"

● "See that letter, Miss Wilson? It's from a top executive of one of Canada's largest corporations. It's actually an unintentional offence and I would take it as such if he were not such a good friend of mine. Keep it as a 'horrible example' of what I don't want our letters to look like."

ANY LETTER typed on an old, wornout machine is a potential offence to the one to whom it is addressed! And no typewriter is immortal. Sooner or later, your own machine will have to be replaced. When that time comes—and isn't it just possible that it has *already* come—may we suggest a new Royal?

THE NEW ROYAL, with MAGIC* Margin, Touch Control* and Locked Bob-less Shift, is by far the finest writing machine Royal has ever produced.

ITS BREEDING SHOWS in every sweeping line . . . in every sturdy part . . . as well as in ease of operation . . . quality of work . . . and low maintenance costs.

ROYALS ARE MADE by people who devote all their time, and all their skill, to the manufacture of typewriters—and nothing else. No wonder Royals are so good!

PROVE ROYAL'S GREATNESS for yourself by asking for a free "Desk Test." Any Royal dealer will arrange this without charge or obligation.

*Trade Mark

ROYAL
PORTABLE and STANDARD
TYPEWRITERS
Made in Canada
by Canadians - for Canadians

"How to Make Every Letter Better" is full of helpful information for secretaries and executives. Send for a copy.

ROYAL TYPEWRITER CO. LTD.,
Dept. F
Head Office and Factory, 7035 Park Ave., Montreal

Please send me a free copy of "How to Make Every Letter Better." I incur no obligation.
Name ....
Address ....
Firm 140

BUY WAR SAVINGS CERTIFICATES AND WAR SAVINGS STAMPS

City Debts Down $13 Millions

Ontario Gives Early Report on Communities

With the object of improving the credit position of municipalities by means of providing earlier information on their financial condition, the Ontario Department of Municipal Affairs has released 1940 statistics relating to 27 Ontario cities. Under the former arrangement, this information would not have been available until the end of the year.

It is the intention of the Minister, Hon. T. B. McQuesten, to speed up the flow of information from the Department later on by the introduction of regular bulletins. These will give figures relating to tax collections, budgets, assessments, etc., as fast as they are received.

The changed system is expected to facilitate current borrowings by making comparative figures readily available, relieving lenders of much of the detail of financial investigation. The periodic reporting is also expected to spur municipal authorities into making earlier returns.

Rising Income

Taken as a group, the figures for the 27 cities reflect the increased urban population and improved national income which has developed with rising war production. For 1940, the population figures show a rise in assessed population of approximately 20,000 individuals, to 1.6 million. Since the figures were adjusted with assessment revisions during the year, they reflect the position about the middle of last year, just after the fall of France, and some time before the Canadian war machine got into high gear.

Collections Better

Tax collections in 1940 exceeded the year's levy by about $2.5 millions, against an excess collection of $2.25 millions in 1939. With current collections higher, the reduction in arrears of taxes shown on the cities' balance sheets amounted to over $3 millions, reducing the per capita tax arrears to $8.33 against $10.34 at the end of 1939. Total collections for the year amounted to 103.6% of the year's levy, against 103.1% in 1939. The respective levies worked out at $44.50 per capita in 1940 against $44.96 in 1939.

Mill rates in 1940 averaged slightly higher than the year before, as the total levy for the 27 cities was up some $127,000 against a total assessment $8.5 millions lower.

Debts Reduced

Total expenditures for unemployment relief dropped from $15.5 millions in 1939 to $9.2 millions in 1940. The improvement caused by the drop in relief costs and the rising revenues went largely to debt reduction, the 27 cities showing a total debt of $263.9 millions, down $13.7 millions on the year. On a per capita basis, the total debt fell to $165 against $182.02 the year before, and now amounts to 14.9% of assessed values against 16.2% in 1939.

Since the cities of Ontario account for $1.7 billions of the province's total municipal assessment of around $3 billions, their debt reduction figures indicate that in 1940 at least, the municipalities were following a pay-as-they-went policy.

Although expenditures for 1941 will not be available for some time, budgets and tax rates announced to date indicate that the conservative policy is being followed this year. Some increases in operating expenditures are expected to arise, possibly in excess of those anticipated at the beginning of the year, but against this, reductions in taxes have been much more common than increases, and the available interim reports indicate that the improvement in collections is still on the increase.

Some of the important municipal figures for 1940, with comparisons for 1939 are given in a separate panel.

Position of Ontario Cities

	1940	1939
Population	1,599,209	1,579,966
Assessed value ......$	1,768,212,736	1,776,734,255
" per capita ......$	1,106	1,125
Exemptions ......$	487,623	415,374
Tax levy, total ......$	71,164,099	71,036,893
" per capita ......$	44.50	44.96
Tax collections:		
Current ......$	63,702,865	61,233,850
% of levy	89.5	87.8
Total collections ......$	73,700,908	73,269,076
% of levy	103.6	103.1
Arrears outstanding ......$	13,313,479	16,338,769
" per capita ......$	8.33	10.34
Total debt ......$	263,862,929	287,592,898
" per capita ......$	165.00	182.02
% of assessed value	14.9	16.2
Relief expenditures ......$	9,222,476	15,527,449

Market Opinions

Although market analysts emphasize the importance of the transition taking place in the American economy, opinion seems generally to reject the need for important liquidation at the present time. The growing importance of armament-stimulated securities against peace-time issues is stressed, but considerations of the possible duration of the war lead to emphasis on the continued maintenance of a reasonably balanced portfolio.

Bookmire Counselor, New York—As disruptions of many normal lines of production are threatened by priorities of the defense programme, inclusion in investment portfolios of stocks which profit materially from armament production actually has added a safety factor. But uncertainties of the duration of the war and the terms of the eventual peace make it inadvisable to use such stocks for the entire structure of a stock portfolio. To attain proper balance, and distribution of risks which that implies, liberal use must also be made of stocks of companies which, although not profiting greatly from war conditions, have prospects of maintaining a good volume of business and profits when peace returns.

* * *

The Trader, Barron's, New York—All in all, if any single factor were to be singled out as the cause for the current heaviness of the stock market, it would probably be the widening appreciation of the effects of the accelerating transition of American business to a war economy . . . Since in the stock market the proof of the pudding is in the eating, investors and speculators are chary of making commitments when both peace and war stocks are giving ground. No longer is the course of stock prices being shaped by the tide of Allied fortunes. What is happening currently is a definite bogging down of business sentiment. Until the psychology of industrialist and capitalists undergoes a turn for the better, stocks appear likely to drift down to a base which finally proves, as was the case last spring, to be a level impervious to selling.

* * *

Financial World, New York—There continues to be the bear market in the purchasing power of the dollar, providing a powerful incentive to individuals to maintain a well-invested position in equities possessing prospects of increasing dividend payments to help offset the rising trend of living costs. When the impetus for resumption of the upward stock price movement does appear, it will find that fundamentals are working in the direction of considerably higher levels than those which have been witnessed during the past several years. In the meantime, it would seem risky busuiness to dispose of well selected issues in the hope of reacquiring them a few points lower down.

TREASURY BILLS

Result of the call for tenders by the Bank of Canada for Dominion treasury bills this time show a new low yield. Average price for the issue sold Aug. 14 was 99.85954 to give an average yield of 0.564%.

Company Reports

McGillivray Creek

Generally higher mining and operating costs were experienced by McGillivray Creek Coal & Coke Co., Coleman, Alta., in 1940, according to Lorne A. Campbell, president. In addition to advanced wage scales, cost of mining supplies and equipment has increased and further increases may be anticipated with the result that a more conservative dividend policy may be considered, according to the president. The company has been paying dividends in excess of earnings, but this has affected the working capital position to a minor extent as the dividends have in effect been made up by depletion provisions.

Income and Surplus Account
Years Ended Dec. 31

	1940	1939
	$	$
Operating profit	150,360	151,142
Add: Invest. income .	12,348	10,406
Total income	162,708	161,548
Less: Directors' fees ..	666	172
Exec. salaries	13,866	14,616
Legal fees	......	114
Depreciation	19,470	20,590
Depletion	32,758	29,752
Income taxes	34,067	17,604
Net profit	61,881	78,700
Less: Dividends	107,320	80,490
Deficit for year	45,439	1,790
Add: Prev. deficit ..	409,504	407,714
Less: Invest. profit ..	4,728	......
Deficit forward	450,215	409,504
Earned per Share	$0.023	$0.029
Paid	0.04	0.03

Working Capital

	$	$
Current assets	592,246	583,019
Current liabilities	81,846	66,629
Working capital	510,400	516,390

Willson Stationers

Annual statement of Willson Stationers & Envelopes Ltd., Winnipeg, with sales outlets throughout western Canada, shows marked increase in net profits, after allowing for higher taxation. Earnings on the 3,515 shares of 5% preferred stock outstanding in the hands of the public amounted to $17.28 in the year ended Apr. 30, 1941, compared with $6.91 the year before. Common earnings of 82 cents compared with 15 cents for the 1940 year. Working capital increased slightly from $487,877 to $493,016.

Consol. Income and Surplus Account
Years Ended April 30

	1941	1940
	$	$
Gross profit	436,834	397,380
Less: Depreciation ...	16,466	16,292
Wages and salaries .	227,638	216,121
Rents	50,659	50,969
Taxes	6,152	6,320
Interest and disc. ..	2,586	2,348
Group insurance ...	950	963
Bad debts	803	1,623
Other expenses	99,243	96,639
Operating income	32,337	12,105
Add: Invest. income .	5,440	6,514
Misc. income	5,799	4,748
Rents from assoc. cos.	20,640	20,640
Prof. dispcsal of plant	10	10
Life ins. claim	26,787	......
Less: Income taxes ..	29,516	16,318
Loss on invest.	......	40
Re-org. expense ...	770	......
Net profit	60,727	27,659
Less: Pfd. divds.	19,487	20,000
Surplus for year	41,240	7,659
Add: Prev. surplus ..	47,542	39,883
Surplus forward	88,782	47,542
Earnings per Share:		
5% Pref.: Earned ..	$17.28	$6.91
Paid	5.00	5.00
Common	0.82	0.15
None paid.		

Working Capital

Current assets	590,950	554,333
Current liabilities	97,934	66,456
Working capital	493,016	487,877

Australia May Make Aluminum

Australia is considering the establishment of a sheet aluminum industry, according to an announcement by the United States Department of Commerce. The possibility of utilizing Australian deposits of bauxite, the ore from which aluminum is made, is also being investigated.

The plant of the Australian Aluminum Co. at Granville, N.S.W., will produce structural shapes from imported ingot aluminum. British Aluminium Co., Aluminium Ltd. of Canada, Electrolytic Zinc Co. and Metal Manufacturers Ltd. are said to be shareholders in the Granville enterprise.

Refrigerator Sales Show Decrease

From Our Own Correspondent

MONTREAL. — Unit sales of household refrigerators in Canada in June decreased to 7,142 from 8,109 in the same month last year, according to the National Electrical Manufacturers Association.

Sales in the first six months of the year totalled 38,604 units, a drop of 2,653 from the comparable period in 1940.

Sees B. C.'s Opportunity As Lost

From Our Own Correspondent

VANCOUVER. — Ottawa has granted permits for the export under license of accumulated scrap steel and iron from British Columbia to the United States and has apparently eliminated all prospect of a mill being established here to process the material locally.

Most of the scrap is being sold to the Bethlehem Steel Co. in Seattle.

The incident underscores the failure of industry on the west coast to take advantage of a natural situation resulting many months ago in the accumulation of scrap metal. The opportunity has evidently been missed completely.

Men close to the industry say that a year ago rolling mills suitable for converting the scrap metal into angles and bars for the west coast shipbuilding industry could have been built for about $500,000, and there would have been little delay in delivery of the necessary equipment.

Now such a project would cost about three times that figure, according to estimates, and there is no telling when the required machinery would be available in view of wartime priorities, transport congestion and shortages suffered even by the industries already in full operation.

Paper Output In U. S. Hits New High

From Our Own Correspondent

MONTREAL.—The United States paper industry in the week ended Aug. 9 produced more than in any other week in history, according to the American Pulp and Paper Association. The Association's index reached a record point of 102.3% of capacity for the week. This compares with 100.7% in the previous week and 87.9 in the corresponding week last year.

Despite record heights, demand during the week outpaced production. Since June there has been a falling off in orders, but they are still in excess of production.

Significant Investors' Index Numbers

No. of Securities	Mach. and equip. 8	Pulp and paper 7	Milling 3	Oils 4	Textiles and clothing 10	Food and allied prod. 12	Beverages 7	Bldg. matei. 15	Power and traction 15	Banks 8	Total utilities 19	Total co's. 95
(Base 1935-39=100)												
1929-40:*												
High	345.7	564.5	322.3	212.5	168.2	123.2	163.1	202.1	297.5	160.9	329.3	180.7
Low	68.5	49.8	63.6	46.5	76.0	76.9	67.0	71.2	68.2	84.6	68.4	64.0
1941:												
Monthly Figures:												
Jan.	77.6	74.1	72.3	51.6	110.6	96.8	104.3	84.0	75.4	94.7	77.3	71.3
Feb.	72.9	63.8	69.5	48.7	105.0	90.1	96.6	77.3	68.8	90.9	71.3	66.5
Mar.	73.6	65.4	69.5	49.5	103.1	87.9	93.7	78.5	67.0	89.9	70.7	66.8
Apr.	73.2	63.9	68.6	49.4	101.3	88.6	88.1	77.8	62.2	89.7	68.2	65.8
May	71.8	59.7	63.4	51.3	97.4	88.6	82.8	74.4	60.3	88.3	65.2	63.9
June	70.2	59.5	67.5	48.0	101.1	90.1	87.3	74.9	62.0	89.0	67.1	64.0
Weekly Figures:												
July 17 ..	75.5	65.8	66.6	47.9	104.4	88.8	93.7	76.4	65.7	89.7	70.3	66.6
July 24 ..	76.6	64.8	67.2	48.6	105.6	89.5	93.1	77.6	65.1	90.1	70.5	67.5
July 31 ..	76.7	66.1	67.0	48.3	107.6	93.4	97.0	78.8	64.3	89.3	70.8	68.0
Aug. 7 ..	77.2	70.4	71.3	49.8	107.9	91.4	95.5	80.0	64.6	89.6	71.5	68.1
Aug. 14 ..	76.3	67.5	71.8	43.7	105.2	91.3	94.0	79.0	64.4	89.8	71.2	67.5

*High and low for year from 1929 to 1940 inclusive are based on weekly figures compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
Aug. 19	93.09	100.40	68.69	19.36
Aug. 18	93.28	100.23	68.87	19.44
Aug. 16	93.16	100.24	68.68	19.43
Aug. 15	93.31	100.41	68.56	19.57
Aug. 14	93.59	100.81	68.68	19.64
Aug. 13	93.71	101.26	68.68	19.69
Month ago ..	91.32	100.72	64.96	19.27
Year ago	93.23	88.16	60.85	19.85
High 1941 ...	103.48	109.76	70.07	21.62
Low 1941 ...	85.87	95.68	59.30	16.73

Montreal Stock Exchange Averages

	10 Util.	20 Ind.	30 Chd.	10 Pprs.	15 Golds
Aug. 19	44.5	59.4	54.4	74.38	71.48
Aug. 18	44.4	59.7	54.6	74.20	71.68
Aug. 16	44.9	59.3	54.5	73.55	71.81
Aug. 15	45.0	59.5	54.7	73.17	71.81
Aug. 14	45.1	59.1	54.5	74.77	72.02
Aug. 13	45.0	59.3	54.5	74.51	72.11
Month ago .	45.6	58.7	54.3	69.84	71.25
Year ago .	52.9	60.2	57.7	77.63	63.74
High 1941 .	54.3	66.4	62.3	82.25	79.99
Low 1941 ..	42.1	52.3	49.3	58.96	67.38

Investment Trends

U. S. Adjustment to War Reaches Turning Point

Production Through Priorities or Inflation at Stake — Canadian Markets Watch Outcome, Which is Likely to Influence Conditions Here

Why security markets in Canada and the United States should choose the present time to turn draggy is a question that has brought forth little in the way of definite explanation. Most commentators appear to regard the Canadian reaction as sympathetic to that of New York, and the softness in Wall Street reflecting a gathering crisis in the American adjustment to wartime conditions.

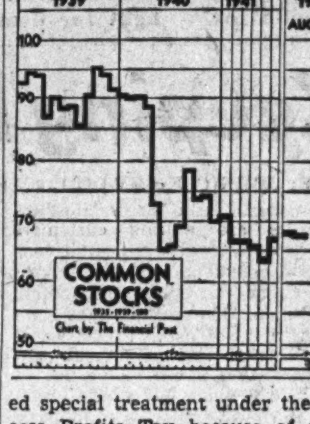
Gasoline shortage, lack of natural silk, curtailment of installment selling, the impact of priorities are bringing war to American homes for the first time. Less prepared for the blow than Canadians, psychologically as well as industrially, the new restrictions are meeting stronger, organized political opposition. Lobbying against the discrimination against consumer goods under priorities, and against the installment selling ban has been particularly strong.

* * *

Decision Reached?

The main problem which would appear to be at stake is the question of whether American industry is to compete with consumers for vital materials in the open market, or is to get its materials at reasonable prices through the priorities system and allied devices. In other words, the war industries are going to get their materials to meet the orders already placed—the main question is whether they will get them at the cost of inflationary competition.

Although the choice between guns and butter has been made in Canada, and opposition to inflation is considerably stronger, the extent to which the Dominion achieves its aims without inflation will be strongly influenced by developments in the United States. Commodities needed for the United Kingdom have moved to the United States, attracted by higher prices. The movement has been halted in some cases by export restrictions and by raising the Canadian price to meet that of the United States.



* * *

Inflation Policies

Investors today have two objectives, states Hornblower & Weeks, large New York Stock Exchange house, in a recent letter to clients. In the first place investors seek a satisfactory yield from securities to offset advancing living costs. In the second place they seek capital protection against inflation.

Underlying force behind the July stock market rise was the trend toward higher living costs, in this firm's opinion, going on to state:

"It is becoming increasingly apparent that short-term bonds and similar obligations no longer provide the best haven for capital and that the liberal yields afforded by seasoned industrial equities have been attracting idle funds . . . common stocks are currently returning more than twice the yield afforded, on average, by the three best grades of corporate bonds."

The letter admits prospects in the industrial field are hard to gauge. Earnings so far available, however, tend to strengthen confidence in maintenance of current dividend rates by U. S. companies. Continued demand for seasoned securities with ample dividend coverage seems likely and, the letter goes on:

"In our opinion the average rate of return from high-grade common stocks is higher than normal in comparison with what investment funds obtain from best grade bonds and preferreds."

This condition suggests many stocks are reasonably priced in relation to other things money will buy and "the next broad movement, therefore, ought to be from money into equities."

This firm does not, however, forget the value of a properly balanced portfolio including both stocks and bonds. This, it is asserted, will give better protection of purchasing power in a period of advancing prices than one of fixed interest-bearing securities alone.

The letter concludes with a list of "selected common stocks" which includes two in which Canadians are widely interested: International Nickel and Hiram Walker-Gooderham & Worts.

* * *

Elevator Companies

The time of year is at hand when some appraisal of the outlook for Canadian grain elevator companies can be had. It now becomes evident that this year's grain crop is going to be substantially less than a year ago, perhaps only half as large, but the fact that our carryover is so large carries little threat that storage space will not be fully occupied.

Actual storage of grain is only one phase of one source of revenue for these companies. They get income from the handling of grain, made necessary when shipments are made to the consumer. They have charges for treating grain to improve its quality.

These charges, so long as Canadian wheat is not moving freely to market, are likely to be lower and offset some of the gains from full occupation of the storage space. Then there is the tax question. Although there seems every likelihood that elevator companies would be granted special treatment under the Excess Profits Tax because of their unsatisfactory earning record of past years their burdens will still be heavier, based on the higher minimum rates now applying.

The conclusion seems to be that earnings in the coming year should hold fairly well and permit companies to maintain interest charges at least. For junior shareholders, however, the outlook is still none too bright. There are basic difficulties in the wheat situation that are far from being solved as yet and which have a long term threat to real prosperity by these companies.

* * *

Post War Policies

The question of how we will bring our economy back to a normal basis after the war is a question of tremendous importance not only to investors but to every individual in the country. If we are to avoid widespread unemployment and lowered living standards when it no longer becomes necessary to employ a large proportion of our workers in arms production and when the armed forces themselves are no longer needed, then some skilful and courageous planning is necessary.

Canada has a board which is working on this problem but evidence of its accomplishments are not yet available. In the United States the National Resources Planning Board has outlined its programme to attempt to prevent economic chaos after the war and appealed to private and public agencies to start work on it now. Its statements so far, however, have been generally confined to setting out objectives. But it has outlined a few matters wherein it thinks there is an opportunity. These include new housing, rehabilitation of blighted areas, and rebuilding of terminal facilities adapted to modern transportation requirements.

It is not too soon for investors to begin thinking about this post-war effect on their holdings. We may not know exactly what kind of a world we will be living in at that time, but we do know that certain basic needs will continue and may even be accelerated by deprivations made necessary by the war effort.

Thus it seems wise for investors to emphasize in their programmes the necessity of including a fair representation of companies supplying the basic food, clothing, housing and other needs of the people. Demand for such products will continue no matter what happens.

Magnet Pushing Shaft to 1,730 Ft.

Sinking of main shaft to a depth of 1,730 ft. has resumed at Magnet Consolidated Mines, a depth of 1,604 ft. having been reached. Four new levels are to be established and stations have been cut for two of these at 1,230 and 1,380 ft. Drifting has begun at the latter horizon, toward the vein which lies 500 to 600 ft. west of the shaft.

Production for the second quarter of this year amounted to $246,103 from 10,728 tons milled, an average recovery of $22.94 per ton and 118 tons per day.

B. F. Goodrich Rubber Pays 3½% Interest

B. F. Goodrich Rubber Co. of Canada is paying 3½% interest on its 7% cumulative bonds on Sept. 1, 1941, to bondholders of record Aug. 15. This is the first payment on these bonds since 4¾% was paid in 1936. Interest is cumulative to the extent earned and arrears become payable at maturity of the bonds.

Investment Notes

War Orders—Contracts awarded by the Department of Munitions and Supply for the week ended Aug. 5 are dominated by shipbuilding contracts totalling almost $50 millions. Among other large orders going to companies in which there is public investment interest are the following:

	$
Marine Industries	23,684,400
Burrard Dry Docks	17,253,000
Victoria Machinery Depot	8,035,200
Ford Motor Co.	2,161,876
Canada Packers	309,586
Dominion Textiles	946,313
Tip Top Tailors	144,280
Dominion Bridge	222,238
Sarnia Bridge	141,906

* * *

In its report on changes in the holdings of company officers and directors in June, the S.E.C. includes the following:

International Paper & Power:—John H. Hinman, director and officer, bought 100 common, holding 407 common, 207 preferred, and 100 common warrants.

International Utilities System:—H. R. Milner is reported as holding two shares of Canadian Western Natural Gas, Light, Heat & Power Co.; 10,000 shares of Domalta Petroleum Ltd. common and 16,500 common warrants in the same company.

War and Mail Order Catalogues

Higher Prices General, Some Items Missing

By DONALD G. MacLEAN
Staff Writer, The Financial Post

In spite of the war, fall and winter catalogues of the Canadian mail order houses, now going out to customers, contain practically the same range of merchandise as in former years.

In some particular items there is a more limited choice. Aluminum goods, for instance, are not offered in the same variety as a year ago. Nor is there the same range of toys. But on the whole the mail order shopper will be able to get the same type of goods as in other years, or something that will fill the bill.

As one merchandising executive remarked to The Financial Post: "As certain articles or materials become scarce, if there is a demand for them, some substitute is usually developed which will satisfy the need."

Prices Tend Upward

Prices generally are on the uptrend. But the changes in quotations vary considerably and in many cases are not as great as many had expected. Merchants have been watching the markets closely and buying well ahead. In most cases, where markets have advanced since purchases were made, it is said, customers are getting the benefit of the lower levels at which the goods were bought.

Higher taxes have been a factor in such lines as radios, phonographs, washing machines and electric refrigerators. Prices of hardware and builders supplies have been increased by the removal of the exemption of those lines from the 8% sales tax.

Government demand is also a big factor. Take radios for instance, in addition to the higher taxes, the demand for parts and materials has been greatly increased by government needs. The same thing applies to goods of which copper is an important part. Articles in which steel is required are also becoming harder to get.

Imported Goods

Imported goods have been affected by increased costs of ocean transportation and by some lines being cut off entirely. "Look through our catalogue and you won't find one kid glove advertised," said one executive. Kid gloves were formerly obtained from France and Belgium. Supplies on sale since then have been goods that were on stock before those countries fell. The range of harmonicas is also greatly reduced. These previously came mainly from Germany. Now a few are coming from Switzerland.

Certain types of goods of which considerable quantities are brought in from the United Kingdom are affected by shipping difficulties. This is especially so where they are shipped dismantled for assembly here. Bicycles are an instance. One merchant stated he had not had enough bicycles to fill the immediate demand because certain small parts such as the brake had been delayed.

Bad News for Pipe Smokers

Pipe smokers may before long have to go without brier pipes. The brier roots from which pipes are made comes almost exclusively from the Mediterranean shores. New imports are now unobtainable. Accordingly when present supplies of brier are used up, there will be no more till after the war.

Among the important groups of merchandise where price changes have occurred it is estimated radios are 20 to 25% higher than last fall.

Electrical appliances are about 25% higher.

Kitchenware and hardware are both up about 10%.

Woollens and knit goods show varying changes from last fall. The cost of woollens to the manufacturers is estimated to be up about 50%. Since the outbreak of war, the advance since last fall being about 10% which is included in the 50% mentioned.

Cotton goods have risen all the way from 7% to 32% since last autumn.

Soldiers Buy Valises

Leather goods, including trunks and valises are becoming scarcer, though prices in the catalogues do not reflect the whole situation. Mail order merchandisers say the demand from men in the armed services for valises, suit cases, club bags, etc., has been enormous with larger quantities of leather being required for government purposes as well. Some lines of luggage are up as much as 10%, others only about 2%. Some lines of trunks, for instance, are lower than a year ago.

Boots and shoes show varying changes according to styles and sizes. Generally, prices are not greatly different.

Automobile tires have been steadier than expected. One dealer stated that his higher priced lines were unchanged with the cheaper ones up slightly.

Silk stocking prices quoted in the catalogue do not reflect the recent freezing of silk stocks in Canada and the firmer market trend.

In the jewellery department it is estimated diamonds have just about doubled in price. The fall of Amsterdam upset the diamond cutting industry badly and supplies of cut diamonds accordingly have been greatly reduced.

Mail order houses in Canada have been finding business good. Sales of such lines as radios and phonographs by concerns as The T. Eaton Co. and The Robert Simpson Co., for instance, have been large and a continued good volume is expected.

Int. Min. Corp. Profit Higher

Six Months Net is 18.7 Cents Per Share Compared With 17.8

Net profit of International Mining Corp. for the six months ended June 30, 1941, was $91,800, equal to 18.7 cents a share. This compared with $87,511 or 17.8 cents a share for the same period of the previous year.

Investment transactions account, which gives effect to profits made on security transactions and expenditures for mine examination and exploration work, showed a profit of $24,493 on sales of securities, expenditures of $24,389, and provision for income taxes of $1,800, leaving a net loss of $1,696 in this account for the first six months of the year.

The net asset value, as at June 30, 1941, of the common stock in the hands of the public was $4,524,260 or $9.22 per share, after deducting $727,019 reserve for mining venture losses, providing for all estimated taxes, and taxes on unrealized appreciation of listed securities, which would have been payable in 1942 had the securities been sold at the closing quotations June 30, 1941.

Cash at June 30, 1941, amounted to $330,448 and receivables totalled $117,703. Funds in transit to apply to bank loans due in July, 1941 amounted to $38,000. Notes payable to bank due in July and August, 1941 were $125,214, accounts payable $5,518, and provision for taxes $51,077.

Income and Surplus Account
Six Months Ended June 30

	1941	1940
	$	$
Income:		
Dividends	146,727	162,658
Interest	20,488	2,863
Other income	10,461	9,070
Total income	177,676	174,591
Less: Employees' comp.	24,484	25,700
Off. & travel. exps.	5,216	8,220
Rents	6,280	7,192
Legal & audit exps.	6,558	10,915
Reg. & trans. agents, etc.	2,265	2,996
Directors' fees	640	1,040
Interest	832	2,817
Foreign exchange ..	......	12,586
Taxes (other than inc.)	24,901	15,614
Income taxes	14,700	......
Net profit	91,800	87,511
Less: Dividends	73,571	*87,511
Surplus forward	18,229	......

*Exclusive of $13,364 charged to investment transactions surplus.

Earns. per Share and Dividend Record:		
Common: Earned ..	$0.187	$0.178
Paid	0.15	0.20

Twin City Transit Shows Earn's Gain

Weather and Employment Trend Favor Operations in First Half

Aided by favorable weather conditions at the start of the year, Twin City Rapid Transit Co. and its subsidiaries report increase of nearly $34,000 in net profits for the first half of 1941, as compared with the corresponding period a year ago. The cool weather early in the year brought greater use of the company's facilities, a gain which has been maintained in the later months as a result of increasing employment in Minneapolis and St. Paul districts. Comparative figures for the half year are as follows:

Consolidated Income Statement
Six Months Ended June 30

	1941	1940
	$	$
Operating revenue ...	4,351,048	4,289,151
Less: Oper. exp. & tax.	3,732,221	3,722,868
Operating income	618,827	556,283
Add: Other income ..	6,617	7,358
Gross income	625,444	573,641
Less: Int. on funded debt	410,483	430,615
Amort. disc. on f. d.	28,618	30,059
Misc. debits	8,214	8,109
Federal income tax.	51,956	12,575
Net income	126,173	92,283
Times fixed chgs. earn.	1.42	1.25

Note—In presenting above figures, company states they are not independently audited and include estimates for taxes and other items which will have to be adjusted later. As no excess profits are indicated, allowance has not been made for U. S. excess profits tax.

Louisiana Land Profit Shaded

From Our Own Correspondent

MONTREAL.—Louisiana Land & Exploration Co. reports net profit of $260,815 for the three months ended June 30, compared with $267,597 in the same quarter of the previous year. Both are equivalent to nine cents a share on the outstanding capital stock.

In the six months ended June 30 net profit totalled $649,256, equal to 22 cents a share, compared with net profit of $507,329 in the first half of 1940, or 17 cents a share.

R. C. Vaughan Grand Trunk Head

From Our Own Correspondent

MONTREAL. — R. C. Vaughan, president of Canadian National Railways, has been elected president of Grand Trunk Western Railroad. This company is a wholly owned subsidiary of C.N.R., operating lines in Michigan State.

Mr. Vaughan was at one time vice-president of Grand Trunk and had charge of the system's steamship operations and purchases of stores, and has recently been appointed head of C.N.R.

Distillers-Seagrams Reduce Preferred

From Our Own Correspondent

MONTREAL. — Distillers Corp.-Seagrams Ltd. reports that during July the company purchased for retirement and cancellation on account of the sinking fund, 1,830 shares of its 5% cumulative preferred stock. This reduces the number of outstanding shares to 157,970.

Foreign Exchange

During the week Aug. 11 to Aug. 18 there was no change in the quotation on the United States dollar at Toronto and Montreal which was $1.10 for buying and $1.11 for selling. The sterling rate likewise was unchanged at $4.43 buying and $4.47 selling. The rate is published daily by the Foreign Exchange Control Board.

Other Currencies, Aug. 18

Australia ...	3.58	S. Africa ...	4.47
India	.3369	Hong Kong .	.2835
N. Zealand .	3.61		

MR. BUSINESSMAN!

Can you make a place in your organization, for a real high class, versatile executive?
This man is trained in human psychology, financial and industrial sales minded.
He can throw his two hundred pounds successfully into any large undertaking and complete it to the great satisfaction of all concerned.
I know, as I have just completed some business with this human dynamo, and he has proven to me that he will make an excellent assistant to a President, could handle all phases of a complicated estate, can hire, train and direct a bang-up sales organization.
He is a Protestant, age 47, has a clean record, well connected, and is not starving.
For an interview, name the time and the place. I suggest you do not pass up this opportunity.

Address Box 120, The Financial Post, Toronto

THE ANNUAL FINANCIAL REVIEW

The Recognized Authority on Canadian Securities

41st Edition, 1941 — *Edited by* ALAN S. HOUSTON

The Annual Financial Review is a carefully revised summary of facts regarding securities of Companies listed on the prominent Canadian Exchanges.

It includes the Current Annual Statements, with comparative figures for three years; Officers and Directors; the highest and lowest prices of stocks and bonds traded in on the leading Canadian Exchanges for each month for a number of years; together with number of shares sold each month for the past eighteen months; rate of dividends paid currently and for past years; also important items in the history of the different Companies, such as increases in capital stock, particulars of franchises, full particulars of funded debt, together with a mass of other facts.

It comprises over 1,200 pages of solid information, covering over 1,300 Companies, well printed in a clear and concise manner, and is neatly bound in full cloth. The work is invaluable, not only to financial institutions but also to the general investing public.

Price $15.00 Per Copy

HOUSTON'S STANDARD PUBLICATIONS
184 Bay Street, Toronto, Canada

Bond Markets

Dominion Brings Home $138 Millions of Loans

Repatriation Measure Accounts For Small Fraction of Current Aid to Britain Accumulation — Ontario and B. C. Cut Debt

As Britain piles up debt in Canada for materials to sustain the war effort, Ottawa and London have taken another step to make Canadian dollars available for purchase of goods here.

In the latest move three Dominion sterling securities and two Province of Ontario obligations are involved.

Exclusive of sinking funds, about £30.8 millions or $137 millions of Dominion securities and $890,000 of Ontario securities is involved, or a total of roughly $138 millions. Apparently this repatriation represents the allocation of a part of the sterling funds accumulated by the Bank of Canada to the end of June and then transferred to the Foreign Exchange Control Board.

At that time, $294.3 millions in sterling was transferred as part of a $325 million credit with provision for increase to $400 millions. In June, sterling had been accumulating with the Bank at the rate of about $3 millions daily.

War Evolution

No statement was made at the time as to the final disposition of the funds which represented Canada's extension of credit to Britain. The present $138 millions would account for only a small fraction of the amount on hand if the previous balance had not been disposed of. At the June rate of forwarding aid to Britain, which has almost certainly been exceeded since, the present repatriation would only account for the accumulations since the $325 millions credit was established.

The securities called for redemption in Britain are:

	£
Dominion:	
3½% reg. stock, due 1950-55	10,000,000
3½% reg. stock, due 1958-63	10,000,000
4% reg. stock, due 1953-58	15,000,000
Ontario:	
4% reg. stock, due 1947	316,712
4½% reg. stock, due 1945-65	170,119

Canada's further help to finance Britain's war needs recalls what happened in 1914-18.

Before 1914 the Dominion looked to England for funds. The war stopped the east-west movement of capital and created in Canada in a brief time an almost fully developed capital market. Canadian dependence upon Britain was measurably weakened and since 1918 the country has relied quite largely upon the domestic market.

The current war finds Canada in the position of relying upon domestic flotations by virtue of necessity. United States has placed a prohibition upon loans to belligerent nations, and Britain, lacking sufficient resources of materials and money herself, is becoming a debtor of Canada, not a creditor.

• • •

Free Loans Gain

A unique departure of current war finance is the sale of interest-free securities. Largely the appeal is a patriotic one. All citizens may send Ottawa any amount they wish to help the war chest. Starting voluntarily, the interest-free deposit scheme is gathering weight. In July Ottawa reported sale of $100,892 of these securities, boosting total sales to $7.1 millions since the outbreak of war.

Loans for direct prosecution of the war totalled $86,619 during the month, from 98 subscribers, of which 75 were previous subscribers. Funds going to relief of war suffering totalled $14,273, from 757 subscribers.

Subscribers have the choice as to where their money will go, and apparently the majority are zealously interested in providing weapons for the fighting forces rather than the indirect route.

• • •

B. C. Retires More Debt

With all its refunding needs cared for in the current year, British Columbia, has run up the total of refunded debt to $22 millions in meeting $2 millions of 6% debentures, which matured Aug 15. Last remaining requirement is a $2 million issue of 6% debentures maturing Oct. 26 in New York and Canada.

• • •

Montreal Plan

A degree of interest by investors has been manifested in the obligations of Montreal, long neglected in the steady deterioration of the municipalities financial position which preceded default last May.

The revival is actuated by indications that representatives of bondholders, the municipality and Quebec are whipping plans into shape for a refunding plan for the city's debt. Negotiations have been under way for some months, and if original hopes are fulfilled a plan should come to light some time this fall.

General Motors at Regina To Make Gun Carriages

A big assignment for Canada's war programme to be undertaken immediately will transform the Regina plant of General Motors of Canada Ltd. into a munitions unit.

Manufacture of carriages for two-pounder and six-pounder anti-tank guns will absorb the entire capacity of the Regina factory and production of civilian cars and trucks is suspended for the duration. Western requirements will be taken care of from Oshawa.

The new organization will be known as Regina Industries Ltd. It is a subsidiary of General Motors of Canada.

The whole existing factory layout at Regina would be utilized but that no new buildings are required. All possible Regina employees would be absorbed into the new operation. The nature of the work requires trained machine shop men and a training programme is underway so that the output may quickly reach the objective of 300 units a month.

This objective means two shifts of nine hours each, six days a week for the machine shop and a somewhat larger total payroll than the Regina factory has had up to now.

Mackenzie Air Ltd. Extending Plant

$1 Million Programme For Servicing Air Training Planes

From Our Own Correspondent

MONTREAL. — Mackenzie Air Service Ltd., Edmonton, controlled by Canadian Pacific Railway Co., is extending its facilities for aircraft repair by an expansion programme valued at $1 millions, it is officially announced.

An additional depot for airplane engine overhaul, a double hangar, warehouse, engine testing stands, extensions to the airport and other buildings are included in the plan.

For Air Training Plan

The plant will be used for overhauling Oxford airplanes, used in the Empire Air Training Plan, as well as assembling and overhauling Avro-Ansons, Fairey Battles and other planes used at air training centres.

It is expected to complete the expansion programme within a year's time, and 2,000 men will be employed at the plant when it is in operation.

Toronto Exchange Volume Gains

Both volume and value of transactions on the Toronto Stock Exchange in July this year were well ahead of the same month of a year ago. There were 4,292,517 shares traded on the Toronto Exchange in July this year. This compares with 2,649,338 in July last year and 2,388,987 in June this year. In spite of the comparatively good showing of July, the first seven months of 1941 have sown 28.2 million shares traded, compared with 47.8 million in the same period of 1940.

Value of shares traded in July did not make as favorable a comparison as did number because of lower prices. Total value of July this year was $6.5 millions, compared with $5.1 millions in same month of 1940 and $3.8 millions in June of this year. For the first seven months of 1941 value of trading on the Toronto Exchange has been $42.2 millions, less than half the $92.6 millions of the same period of 1940.

Can. Breweries Gain is Higher

Earnings of Canadian Breweries Ltd. for the three months ended July 31, 1941 are substantially ahead of the corresponding quarter of last year, The Financial Post learns. Normally, the July quarter vies with that ending Oct. 31, as the most productive periods in the company's year.

Last year, the July quarter produced net profits of $322,261 against $301,775 for the October period, and in the year before, the July figure was $316,148 against October's $376,830. All of these figures are before income taxes or allowances for minority interest. The October, 1939 quarter was unusually profitable partly as a result of the sharp rise in price of hard liquors which went into effect at that time.

Detailed figures on the quarter will be available at the end of the month. In addition to the higher earnings, they will reflect the recent purchase and cancellation of $100,000 of the Series "A" 5½% debentures for sinking fund, together with the redemption of $75,000 of the serial debentures on April 1 of this year. As a result of these reductions, funded debt now totals $1,850,000 against $2,025,000 at Oct. 31, 1940.

Bell Telephone Co. Issue More Stock

From Our Own Correspondent

MONTREAL.—Bell Telephone Co. of Canada reports an additional 592 shares had been issued under terms of the employees stock plan, forming part of the issue covered by resolution of the directors under date of February 27, 1941. The company's issued capital now stands at 829,339 shares.

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Montreal Refrig.	*6%	1947	Dec. 1	par
Remington R. .	4½%	1956	Sept. 1	par
Inter. Paper ...	‡6%	1955	Sept. 1	105
Prov. L. H. Pr.	†5%	1946	Sept. 1	105

*All outstanding balance. Company will purchase bonds prior to the redemption date at 102, including accrued interest.

‡Drawn by lot: $407,500. †$89,000.

The newest in the series of posters for use in Canadian aircraft production plants is this excellent example of poster art symbolizing teamwork: action in the attitude of the men, plus an inspiring glimpse of the Union Jack, bespeaking courage, hope and confidence. This poster has been donated by the de Havilland Aircraft of Canada Ltd.

What Happened Purvis Plane?

Pilots Cite Freak as Probable Clue

By RONALD A. KEITH
Editor, Canadian Aviation

Causes of the air crashes which killed Arthur Purvis and 42 others in less than a week probably will remain under the veil of official secrecy if they are discovered. But these spectacular tragedies have stimulated lively speculation in flying circles.

Theories as to why two accidents should occur in close sequence after a prolonged record of perfect operation are many and varied. Some point to a startling coincidence in the fact that in other flying operations accidents have followed on the heels of a change-over in direction, even though such a transition had no cause-and-effect relation to the mishaps.

Just a few days prior to the first accident (on Aug. 9) when a bomber carried 22 men into a hillside, an official announcement from Montreal had heralded the transfer of direction from the Ministry of Aircraft Production to the Royal Air Force. Actually, this change-over, which did not affect the working machinery of Atfero, had taken place on July 29. Previously, on July 16, the Air Ministry had taken over from Canadian Pacific Air Services.

"Just Law of Averages"

Most experienced pilots and airline operators are inclined to credit the crashes to the inexorable law of averages which seems to overtake even the most efficient flying organizations sooner or later. In the United States, for example, there was a bad series of fatal airline crashes following a no-fatality record of nearly two years, the longest in history. Strangely enough, these accidents followed a change of status which placed the long-independent Civil Aeronautics Authority under the Department of Commerce.

In its present state, the ferry organization, known as Atfero, has become the "R.A.F. Ferry Command" under Air Chief Marshal Sir Frederick Bowhill. The flying operation, involving regular crossing of the Atlantic in both directions, is described as one of the most ambitious enterprises of its kind ever undertaken. Experienced operators admit that, even a year ago, they would not have believed such a development possible.

Although no official announcement has described the type of aircraft involved in the crashes, most speculators believe it probably was the Consolidated Liberator in both instances. Official releases have described this type as being used for returning ferry pilots across the ocean. The only other possibility would be a Boeing 314 Clipper, several of which type were recently delivered to Britain from an American factory. (The latter suggestion seems to be discounted by the circumstances of the accidents.)

Best in the World

It is difficult for observers to accept any suggestion of deficiency in flying, either on the part of pilots or aircraft, assuming that each were of a quality unbeatable anywhere in the world.

The four-engined Liberator, for example, would have 4,800 horsepower for taking off, ample to lift it even with a four-ton load, carry it over a range of 3,000 miles. Conceded to be one of the best two or three operational bombers in existence, the Liberator, otherwise known as the Model 32, has a total gross weight of 20 tons and a maximum speed of 300 miles per hour. Wing span is 110 feet, length 64 feet, and height 19 feet. It has four Pratt & Whitney Twin Wasp engines, each developing 1,200 h.p. for take-off. For military operations, it normally carries a crew of from six to nine.

Considering the efficiency of this aircraft and the experience of the air crews, pilots are inclined to conjecture that some freak mishap may have been responsible in each instance. For example: Several years ago a large commercial flying boat coming in for an apparently normal landing on San Diego harbor unaccountably plunged into the water, wrecking the aircraft and killing all aboard.

Thorough investigation uncovered the cause of this accident. Evidently the pilot's earphones had dropped to the floor of the cabin and become wedged at the base of the control column. When he sought to pull back the column to level off, the jammed earphones prevented this movement, with the result that the plane continued its steep glide into the water before anything could be done about it.

As a result of this discovery, the recess at the base of the control column in such types of aircraft is now fitted with a hood, thus eliminating the recurrence of such an accident.

It is certain that all the available resources of investigation will be marshalled to the task of searching out the causes of the Atlantic ferry accidents and applying whatever lessons may be learned toward the attainment of 100% security in the air.

Board Approves St. Maurice Issue

Major Portion Will Be Exchanged for Notes Held by Shawinigan

From Our Own Correspondent

MONTREAL.—The Public Service Board of Quebec has approved application of St. Maurice Power Corp. to issue 15-year 5% second mortgage bonds up to $4.5 millions. The issue will be dated Aug. 2, 1941, and mature Aug. 1, 1956. Proceeds of the issue will be used to refund outstanding unsecured indebtedness and no public offering will be involved.

Shawinigan Water & Power in an agreement with St. Maurice Power is obliged to advance additional funds to complete the La Tuque hydro-electric development.

In addition to $10 millions of 4½% 30-year first mortgage bonds in the hands of the public, St. Maurice has issued $3,823,990 of 5% short-term notes as security against advances. Shawinigan will receive in exchange for these notes new second mortgage bonds. There will be $517,000 of the bonds remaining in the treasury for further advances by Shawinigan, which are not expected to exceed $382,309.

No 20% Tax for Concerts By Symphony Orchestras

By STAFF WRITER

OTTAWA.—Symphony orchestra concerts are among forms of entertainment which have recently received immunity from the new 20% Dominion amusement tax.

Provision for exemption on the tax is made through rulings under section 122 of the Special War Revenue Tax Act which prescribes that the tax shall not apply to performances held by religious, labor, society, board of trade, fraternal club, patriotic or non-profit organizations.

Apparently the test is the interpretation given the term "non-profit." If the only persons who receive money from the proceeds of an entertainment are the musicians then the concert is eligible for tax exemption.

If however, the management or the musicians in their role as organizers of the performance receive any gain from it, the tickets are liable to tax.

Among the first to benefit from the ruling are Toronto's "prom" symphony concerts, run by the musicians union.

Aluminium Ltd. Earnings Hold

Gross Income This Year Up 50%, But Taxes Doubled at $15.1 Millions

From Our Own Correspondent

MONTREAL. — Aluminium Ltd. announces consolidated profits for the first six months of 1941, exclusive of Aluminum Power Co., amounted to $8.3 millions. This profit is computed after provision for profit and taxes of approximately $15.1 millions.

During the first half of 1940 the company had a net profit of $8.1 millions and after taxes of $7.7 millions and for the like period in 1939 a profit of $8.5 millions after taxes of $2.7 millions.

These figures are arrived at after providing for depreciation and depletion, including in 1941 special depreciation in respect of war plants.

Gross Up 50%

The vast expansion in the volume of business handled by the company is seen to better effect by taking net profits before taxes. Thus in the first half of 1941 consolidated profits amounted to $23.4 millions. This compares with $15.8 millions and $11.2 millions in the like period of 1940 and 1939, respectively.

Earnings on the capital stock in the first half of this year were equivalent to $11.15 a share. This compares with $10.58 for the full period of 1940 and $11.41 a share in the first six months of 1939.

First Avro Anson Takes To Air

From Our Own Correspondent

MONTREAL.—The first Avro Anson plane for training Empire flyers has been flown and proved satisfactory. First production model came from the Amherst, N.S., plant of Canadian Car & Foundry Co.

The plane is the first product of Federal Aircraft Ltd., a Government operated agency created more than a year ago for the manufacture of the twin-engined training plane.

Another model, complete in every detail, awaits its first flight at a St. Hubert hangar. It is expected the flight will take place the middle or latter part of the current week.

About 10 days from the flight of the second plane it is expected to produce the third Anson. From then production will proceed at the rate of one plane weekly and will be gradually increased from that point.

Classified Advertisements

Classified ads. cost 4c. per word and figure for each insertion Minimum ad. 12 words. Add six words when box number is required. When replies are to be mailed to advertiser, add 10c. Classified ads. payable in advance. Contract rates on application.

Position Wanted

YOUNG business woman now employed wishes position where wider opportunity is offered. Highly qualified as secretary or staff supervisor but willing to enter new field or go anywhere. Box 118, The Financial Post, Toronto.

Labor Trouble Brews From N.S. to Gold Belt

Threat of walkouts or strike-breeding disputes hung darkly this week over war supply plants and war-vital industries in a broad arc of territory, swinging from Nova Scotia through Quebec and up into northern Ontario.

Wildcat strikes and work stoppages, prospect of others, and demands for wage increases, union recognition and conciliation boards, continued to bedevil plant executives and Government officials. Despite appeals and warnings from Ottawa authorities, pushing of the wartime policy of fair wages and living cost bonuses, and improved machinery for prompt conciliation of disputes, truculent labor groups stirred rumbles of trouble along a wide labor front.

Facets of the situation in the public eye in recent days have included an illegal though short lived strike of steel workers at Trenton, N.S.; conciliation efforts to settle a dispute in Montreal district aircraft plants; setting up of a Royal Commission to probe the recent trouble with aluminum workers at Arvida, Que.; and gathering clouds of conflict between union miners and managements of 12 gold mines in the Kirkland Lake area.

Steel Car Troubles Subside

Headline-grabbing troubles centring on the National Steel Car Corp. shell plant at Hamilton and its aircraft plant at Malton, near Toronto, appears to have subsided for the time being.

At Malton, employees standing against a conciliation board award accepted a compromise proposal for increased wages, advanced by Munitions Minister Howe. In the Government-controlled Hamilton plant, recognition was given both the union and an independent employees' association, and the former plant controller was replaced by H. B. Chase, director-general of labor relations for the Department of Munitions and Supply.

In the Cape Breton coal mining area the seemingly perpetual, insoluble slowdown of production by a rebellious union faction continued unabated, in the face of more warnings by Labor Minister McLarty and efforts of international union officials to bring about a settlement.

Following is a round-up of developments along the labor front, where trouble has broken out or was brewing at mid-week:

Gold Mines Threatened

Officials of Kirkland Lake's gold mining companies this week foresaw a showdown soon in the situation brought about by last week's strike vote of Local 240, International Mine, Mill and Smelter Workers' Union (C.I.O.). The vote wound up a 24-hour "holiday" walkout which brought 12 mines in the district to a standstill.

This is the first serious threat of a strike that the mines in Kirkland Lake have faced since 1919, when mine operations had to be suspended for a time at a number of properties. This week mine officials were afraid that trouble in Kirkland Lake might penetrate farther into the north country.

According to information from Kirkland Lake, 2,475 voted in favor of a strike and 108 against it. Mine operators say that 5,000 employees of 12 mines are involved, so that only half of the workers voted to support a walkout.

Decision to take the vote was made after the proposals of the three-man Enquiry Commission of the Department of Labor were rejected. The vote "holiday" was termed an "illegal walkout" by the operators.

The Enquiry Commission consisting of Humphrey Mitchell, chairman; Prof. Gilbert Jackson and George Hodge arrived in Kirkland Lake early in the week ended Aug. 9. Appointed by the Department of Labor to facilitate investigation of labor disputes in essential war industries, it can recommend whether a board of conciliation should be appointed or not.

Negotiations Proposed

Under the proposals of the Commission, agreed to by the 12 mine managers, negotiations were to proceed amicably to dispose of all questions under dispute.

Each company is prepared, it is stated, to enter into a separate signed agreement to be negotiated between the mine operators and a committee of employees in the respective mines. The agreement provided that the committees of employees would be elected by secret ballot of employees before August 21.

The mines recently put into effect a cost-of-living bonus amounting to $2.78 a week, based on the index of 111.9 for the month of July. Under agreement with the Enquiry Commission, the mines were only obliged to bring the cost-of-living bonus up to $2.40 a week.

Since January, 1941, a bonus of 25 cents a shift or $1.50 per week has been paid.

Mine officials assert that no disagreement between the employees and companies exists. The mines have completed an undertaking with the Enquiry Commission whereby employees through the proposed negotiating committees can discuss and settle all matters mentioned in the application for a board of conciliation. It is added, however, that there has been no objection on the part of the mines to the establishment of a board of conciliation.

It is hinted by union officials that the strike vote carries no threat of an immediate strike, but is primarily to comply with the Industrial Disputes Investigation Act. This requires a strike vote before a conciliation board can be appointed.

Mines involved are Lake Shore, Wright-Hargreaves, Toburn, Sylvanite, Teck-Hughes, Upper Canada, Brock, Bidgood, Macassa, Golden Gate, Morris Kirkland and Kirkland Lake.

Order Probe at Arvida

A Royal Commission has been appointed by the Dominion Government to investigate the recent strike of workers at Aluminum Co. of Canada Arvida plant. Members will be two Montreal judges of the Court of Appeal, Mr. Justice Severin Letourneau and Mr. Justice W. L. Bond.

The investigation follows the tying-up of production at the plant, working on orders for Britain and the United States as well as Canada.

Munitions Minister Howe's statement that "enemy sabotage" was suspected behind the trouble has been protested by the National Catholic Syndicate of Aluminum Workers, the union involved, and by French-Canadian legislators and publications.

Trouble in Maritimes

About 1,200 striking workers of Trenton Steel Co., Trenton, N.S., have returned to work pending investigation of their demands for wage adjustments. The plant is working on a government order for naval shells.

Workers were warned by the Canadian regional director of S.W.O.C.—C.I.O. the walk-out was a violation of their contract with the company.

Aircraft Plant Dispute

Working out of a plan to solve differences between workers and employers in three Montreal aircraft plants has been left with a three-man conciliation board investigating the dispute.

Evidence submitted by representatives of Aircraft Lodge No. 712, International Association of Machinists; Canadian Vickers Ltd., Noorduyn Aviation Ltd. and Fairchild Aircraft Ltd. is being analyzed by the board.

Board hearings were marked by an almost complete lack of agreement on the major points of contention. Only concessions forthcoming from either side were of a minor nature.

Both were unwilling to budge from their stand on a "closed shop" for employees. The workers seek to place the union in power as sole bargaining agency. In the event of the companies going outside the ranks of the union for workers the union is demanding the new employees take out a union card within two weeks.

Workers' demands for wage increases all along the line were opposed by employers on the grounds the Department of Munitions and supply would have to rule on this matter, as the companies are holding Government contracts.

LEADERS IN SALES

J. FITCH
Montreal

L. R. DESMARTEAUX
London

Highest sales honours in the North American Life Assurance Company have recently been won by J. Fitch, of Montreal, and L. R. Desmarteaux, of London. The outstanding work of these two men during the past twelve months has placed them in the lead of the entire sales organization, as President and Vice-President of the Leaders Club.

MOVING
M. Rawlinson Ltd.
610 Yonge St. Toronto Est. 1885
KINGSDALE 5125
STORAGE PACKING SHIPPING

How to Safeguard Your Investments

A Service To Give You Full Facts and Follow-up News

THE FINANCIAL POST CORPORATION SERVICE analyses of Canadian companies will give you the essential facts you must have to select and keep in touch with your investments. The value of these analyses is attested by the many investors who use them as a source of reliable information.

Each analysis gives details of a company's history, properties, management, capitalization, dividends, price range, and balance sheet and earnings statements for seven years where available. *In addition*, a news service supplies the latest information on development, production, etc., so that you are kept right up to date on the position of a company.

You may secure the Service on companies in which you are interested at the following rates:

$5 a year for any 4 companies
$12 a year for any 10 companies
with additional companies at $1.20 each.

These rates entitle you to receive the main analyses and all news cards published for a full year on the main companies you select.

Send for sample analysis.

THE FINANCIAL POST CORPORATION SERVICE

USE THIS COUPON →

The Financial Post Corporation Service, ... 1941
481 University Ave., Toronto.
Please send me sample analysis on .... and further particulars on the Special Service for Investors ☐.

The Editorial Page . .

Why the British Grouse

An English newspaperman who flew over here the other day remarked to friends in Canada, when queried on British morale: "Have no worries on that score. The people are magnificent. The only weakness is they haven't a Government worthy of them."

The Churchill Cabinet is increasingly under fire. Churchill himself retains public confidence for his broad conduct of the war. As spiritual leader of the nation he is inspired and he inspires. But he and his Government are criticized for their record on the home front.

The Economist says, for instance:

> "It would be treason, in the truest sense, to believe that there are not many directions in which the war effort could—indeed, must be—speeded.
>
> "It is the further progress that can still be made that is the supreme question of the hour. The safety of the England that Mr. Churchill leads so inspiringly and stands for so signally is still at stake."

The British press dislikes Churchill's rather cavalier handling of House of Commons critics. There are references to the Department of Mines as a "zero Department." There are "maladjustments" in the Ministries of Food and of Agriculture. Home Security is "dangerously" lagging. Treasury and Labor are not guarding against inflation. There is no Ministry to plan postwar Britain.

The business press wonders at the Prime Minister's refusal to set up the kind of production and supply organization that will really get all-out use of the nation's industrial capacity. Revelations that aircraft output lagged until a few months ago; that tanks and gun production have been inefficient; that there is a shortage of coal despite loss of foreign markets; such things are found disturbing.

The Ministry of Information is allowed to get into such a mess that it is doubtful if the new Minister can find any better solution for its troubles than to move the present organization to an isolated area in northern Scotland and let it carry on for its own amusement, while a brand new organization is built from the ground up.

The Briton's right to grouse, particularly about his Government, is traditional. But even with so great a creator of public morale at its top as Prime Minister, the public seems to have some grounds for its present grousing.

A Man of Strength in Service

Few flags flew at half-mast for Arthur Blaikie Purvis. But he was in every sense a loyal and devoted servant of the people of Canada. He sacrificed leisure, comfort, personal wealth, time and energy to the service of the nation, both in peace and in war, both in his business career and in his two major periods in public life. The first was the time of his chairmanship of the National Employment Commission. For that service he received the gratitude of a limited number of citizens who understood the importance of his work but it is not of public record that he received the enthusiastic thanks of the Government that asked him to take on the work.

His second great public service was as chairman of Britain's supply council in the United States. In that role he was much more a diplomat than purchasing agent. He it was who sold the U. S. administration on a programme of full co-operation with Britain, long before—in fact—Britain itself fully recognized the degree of such co-operation and aid that it would need.

Mr. Purvis would have been a bulwark of great strength in Canada's war structure. But knowing that his company would perforce become the main element in our wartime chemicals and explosives programme, he offered himself to his native country, Britain, which he could represent without criticism and misunderstanding.

Mr. Purvis could have been, too, a great Prime Minister for Canada in the reconstruction days that are to come. It is an appalling tragedy that he will not be available to this country when he will be so much needed.

You Pay for This Revolution

The percentage of Canadian business that is being done by co-operatives is increasing rapidly. Retail co-operative stores had sales of over $6 millions in 1940; 3 dairy co-ops sold $1.5 million; a co-op refinery sold $1.3 million; a group of co-op wholesalers sold $4.5 millions. Farm Co-ops sold $214 millions of food products and $21 millions of supplies. The figures are far from complete but they are indicative of the scope of the co-operative movement.

The co-operative movement plans to extend its field. Credit unions are being promoted on a larger scale; life insurance, medicine, are under study.

The movement is being promoted, not merely in its original guise as a way that individuals hoped to get better prices or better service for themselves, but as a revolutionary change in the economic system. An advertisement of the Alberta Pool Elevators speaks of the opportunity the co-operative movement provides for "united, determined action" against the "greed" of capitalism and the "lethargy and inaction" of democratic governments.

That is frank speaking. The co-ops—or at least the leaders of some western co-ops—are to destroy our present economic system and our present democratic form of government. Something like the Russian system is to take their place.

The people of Canada have granted the co-ops almost complete freedom from taxation. It matters not whether they are genuine co-ops, earning no net profits, or fake co-ops like the present-day wheat pools, operating on the lines of traditional business concerns, competing with them, and accumulating profits for shareholders rather than for patrons. The income tax collector passes both types by.

The larger the share of business that goes to the tax-free co-op the greater the burden of taxation that is shifted to the average worker or man in business. Thus step by step we are, blindly and without the knowledge of the vast majority of the people, bonusing a revolution that may destroy our present way of life in Canada.

Perhaps co-operation is a better way of doing business than the way of individual effort and enterprise, with free competition to improve service and lower costs.

If so, co-operation should be able to demonstrate that by giving better service and lower prices while paying its fair share of maintaining the cost of government—and of fighting this present, costly war.

While the majority of people in Canada pay heavy taxes to fight a war for democracy, the co-ops escape their share of the cost and spend their money on advertisements that are scornful of the democracy and way of life for which we are fighting.

It may be going a little far to speak of that kind of thing as having a Quisling touch to it. But should the people of Canada not at least understand exactly what is going on?

The Financial Post's Platform For War

1. *Strengthening cabinet leadership by drawing on Canada's best executive brainpower irrespective of political considerations.*
2. *An inner war cabinet, free from departmental duties, to plan the nation's war effort and to see that the plans are carried out.*
3. *Appointment of a non-political industrial executive with complete authority to organize and direct procurement of munitions and supply.*
4. *Pay-as-we-go policy to the very limit consistent with an all-out war effort.*
5. *Elimination of wasteful spending by public bodies or private individuals.*
6. *A national programme to deal with post-war employment and relief problems.*

Winning the war has become the focus for all effort, national or personal, in Canada. It requires full mobilization of the nation's material and spiritual resources.

To the fullest degree this should be achieved by individual effort, freely made.

Strong national leadership will inspire service and sacrifice. In turn this will reduce the need for regimentation and compulsion.

No Desire to "Soak the Rich"

The uncanny accuracy of Gallup polls in telling what the people are thinking lends much importance to a recent survey. Dr. Gallup asked American people to name the income taxes they would impose in various brackets.

The results give no encouragement at all to the theory cherished by politicians that the public is all for "soaking the rich" or for leaving the "little fellow" free of income tax.

For a typical family earning $1,000 the average of the suggestions made was $6; for $2,000, the average was $55. Significance of the figures lies in the fact that even under the new rates suggested across the line neither family would pay any state or federal income tax at present. In Canada, the $1,000 family would pay no income tax and no national defense tax; the $2,000 family would pay no income tax but would pay $60 N.D.T.

Now look at what the public would do to the wealthy family. Take a $50,000 income. If the public wrote the taxbill the levy would be $10,000, less than half of what the new U. S. rates would provide. In Canada such an income is taxed about $27,000; in Britain about $36,000.

Apparently it is not "politically dangerous" to tax the mass of the people directly. Apparently the people have no strong desire to tear down and destroy the rich.

Editorials in Brief

Nazi propagandists are becoming more truculent in the United States. Their new line is "We do not need to invade America. When we win the war, we'll let her destroy herself."

The same thought will be found, incidentally, in "Mein Kampf."

• • •

In making Vice-President Henry A. Wallace chief of "economic defense"—which really means economic warfare against the Axis—President Roosevelt has done something no previous president has ever succeeded in doing. He has made the vice-presidency a consequential office. Wallace has, in effect, become "assistant president."

• • •

An American Congressman has introduced a bill providing for unlimited entry privileges for immigrants from Iceland.

As there are only 100,000 Icelanders, there are not many who may want to migrate. But Canada could do worse than open its doors, too, without restriction to Icelanders, who are among the world's most industrious and enlightened people.

• • •

Fortune devotes an entire issue to the United States defense programme and finds it "grimly unimpressive." This may seem an ungracious comment on a programme that already calls for nearly $50 billions of expenditures, of which $30 billions has been put in the form of orders. But according to Fortune it falls far short of the devotion of "every resource of brain, heart and hand" to checkmate the might of Hitler's Germany.

Fortune lists the basic weaknesses: lack of a high War Policy Board to plan; innumerable agencies at the same level of authority; no rational organization; no rational plan. The United States apparently has not reached the stage where it needs or is ready to appoint a War Industries Board.

Each of these weaknesses is apparent in Canada's own defense effort. Fortune put the blame squarely on the doorstep of the President. We in Canada must put the blame for our own lack of a plan, our own lack of well integrated authority, on the doorstep of the man responsible, the Prime Minister.

• • •

Very striking is the resemblance between the Nazi technique in propaganda and the editorial technique of the Chicago Tribune and the New York Daily News. Joseph Paul Goebbels must be envious of the intellectual distortion that produced the comments those two newspapers made on the magnificent Churchill-Roosevelt declaration of policy for a free world. Extracts:

The New York Daily News

> "It appears . . . that Mr. Roosevelt, who suggested the meeting, has sold Mr. Churchill on the 'four freedoms'—but with a notable omission. Nothing is said about the freedom of religion. . . . This neglect . . . is in deference, we take it, to our new ally, Joe Stalin. We have small doubt that Mr. Roosevelt . . . envisions . . . a world . . . with himself as president of the whole layout and Mr. Churchill as his prime minister."

The Chicago Tribune

> "Mr. Roosevelt's dangerous ambition always to do what no other President ever did and to be the man who shakes the world led him to meet Mr. Churchill . . . There he, the head of a nation which is not at war, and the head of the British Empire, which is at war, signed their names . . . as if both countries not only were fighting side by side but saw their way to victory. . . . The American people can rest assured that Mr. Churchill was paying little attention to the rehash of the Wilsonian futilities. . . . What he wanted to know was: 'When are you coming across?' "

SPOILING THE MEAL

—Cartoon by Grassick

Post-Scripts . . . .

Tourist Booster

The man who is going to team up with D. Leo Dolan and give executive direction to Canada's tourist trade promotion work is Walter P. Zeller.

MR. ZELLER

Last week he was named executive assistant to War Services Minister Thorson. He will serve without salary and devote his entire energy to the tourist problem.

Mr. Zeller is one of Canada's most successful merchandisers. The green and gold store signs which bear his name are the culmination of a career which started at Kitchener, Ontario, in 1912 when he went to work in the stockroom of the local Woolworth store.

For three years he shuttled across Canada in the big red "five and tens"—London, Winnipeg, Regina, Saskatoon, Hamilton, Toronto. Then he shifted to the Kresge chain and held key posts in Baltimore, Port Tucket, New Haven, Brooklyn and Syracuse.

In 1923, he turned up in London again, this time as manager of the Metropolitan Stores chain. A little later he was in New York as sales manager of the U. S. organization. In 1928 he started his own chain, sold it to Schulte United and when the latter organization went into bankruptcy he bought back the Canadian end of the business which is now known as Zeller's Ltd. and has 27 stores stretching from Halifax to Edmonton.

The Zeller family is of Swiss descent. For generations its members were distinguished as professors and theologians at the University of Zurich. Walter Zeller was born on the family homestead in Waterloo County, Ontario, where his grandfather settled in 1831.

When the war broke out he had just been elected to a top-ranking post in the Kiwanis hiererarchy—governor of the Ontario - Quebec - Maritimes district. Shortly after that he offered his services gratis to the Government and did some important work for the Bank of Canada. Later he was seconded to put drive and punch into the War Savings campaign.

Much of the success of the big drive last February was due to his imaginative leadership as national chairman.

Mr. Zeller's interest in Canada's tourist trade is of long standing. A long time back, we remember seeing a picture of the big placard which he had built into the luggage carrier of his Packard car and which "merchandized" Canada's tourist attractions wherever he went along the highway toward New York and other key cities.

He has been carrying on a sort of one-man crusade for better U.S.-Canada relationships for years.

What does he hope to achieve in his new job?

It can be summed up in two words: "Satisfied customers."

All he hopes to do is to apply some of the fundamental principles of merchandising which he has been learning for 30 years, in the larger field of cross-continent tourism.

One angle which appeals to him is the need for making Canadians themselves more conscious of their responsibilities as good hosts.

"We must all be salesmen, not knockers." He said to a staff writer last week: "We have a fine bill of goods to sell. The war is giving us a special opportunity to merchandise, but tourism will be just as important to Canada after the war as it is now."

Mr. Zeller senses there may have to be a different approach now that gasoline is being restricted for war purposes. He doesn't feel it's good business to coax U.S. visitors to Canada for highway travel and at the same time ask our own people to cut down pleasure travel. The emphasis will probably be more on Canada's year-round attractions.

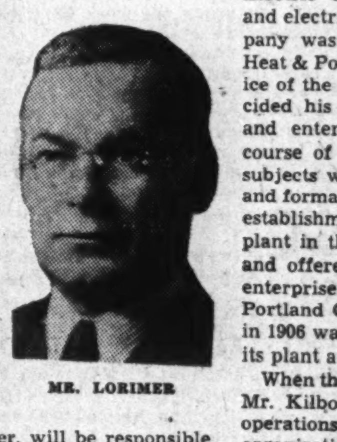
Certainly it is hard to think of a better choice for this job than Walter Zeller.

• • •

Chemical Controller

As Canada's arms programme swings into full production a shortage of chemicals threatens. To forestall impairment of the huge programme the Department of Munitions and Supply has placed Douglas Lorimer in the driver's seat to regulate the flow of essential raw materials.

No modification of the ambitious explosives programme dictated by present developments, but the pinch is beginning to be felt by manufacturers in obtaining ordinary supplies of chemicals.



MR. LORIMER

Mr. Lorimer will collaborate with Allied War Supplies, the Government agency responsible for manufacture of explosives. He, as chemicals controller, will be responsible for allocation of all equipment and materials.

The Department's choice surprised Douglas Lorimer, but it will hardly surprise the pharmaceutical trade in Canada.

No research worker is the managing director and vice-president of the Canadian subsidiary of the famous English firm of May & Baker Ltd., which gave sulfapyridine to the world. He is a practical man who has managed the affairs of the Canadian company for many years.

His father was a manufacturer of pharmaceutical products in Scotland, and the son cut his teeth on the paraphernalia in his father's shop.

Born in Scotland, he was educated in England and Switzerland. He was apprenticed to an English manufacturing chemist. After a few years in his father's laboratory he decided a rest from work was in order before he began the serious business of studying for a degree in chemistry.

So he came to Canada. But dereliction of a salesman of May & Baker directed his steps away from a degree. Young Lorimer took over the traveller's sample case and made a business trip across Canada, introducing the wares of May & Baker to Canadians.

He returned to England after one year, but the call of the Dominion was irresistible and young Lorimer returned. He represented a number of British concerns from 1906 to 1919, and in the latter year was made North American representative of May & Baker. When that company formed a Canadian subsidiary 12 years ago he was made vice-president and managing director.

Largely because of the wide connections he has established, Ottawa has chosen him for the job of chemical controller. He estimates he has made at least 50 trips across Canada in pursuit of the chemical business, and innumerable voyages across the Atlantic.

He is president of the Canadian Chemical Association and past chairman of the Society of Chemical Industry, Montreal branch.

For the past seven years he has been an alderman of Westmount, P.Q., and has gained experience in civic administration.

Tall, affable, Douglas Lorimer is an interesting conversationalist. His recreation consists principally in a wide range of reading.

He foresees certain restrictions in domestic consumption of items requiring chemicals used in war production. He prefers a voluntary approach in restricting their use, but regards some compulsory measure, if impartially applied, as fair to manufacturers.

• • •

Shells: Cement: Steel

As the steel situation in Canada tightens and more rigid regulation appears probable, Ottawa has announced appointment of a new controller, Frederick Binns Kilbourn, to regulate the flow of the vital war commodity from scrapheap and mine to consumer.

Surrounded by an advisory board, Mr. Kilbourn has been vested with power to see that war production is not jeopardized by normal steel requirements, and war implements are given absolute priority in steel supplies.

Vice-president and asistant general manager of Canada Cement Co., Frederick B. Kilbourn has been associated with a totally different commodity for the greater part of his career—cement. However, he is not a newcomer to the steel industry, as Canada Cement Co. was one of the large Canadian producers of shells during the last war. In 1915 Mr. Kilbourn constructed the munitions plant of Canada Cement Co. for the manufacture of steel and the forging and machining of 9.2 inch shells. He assisted in operation of the plant until the end of the war.

Mr. Kilbourn's business career started at the early age of 15. His education was acquired the hard way. Born in Owen Sound, Ont., he came to Montreal to work for a brief time in a mercantile company. In 1901 he worked for the Royal Electric Co. on hydraulic construction and electrical operating. When this company was acquired by Montreal Light, Heat & Power Cons., he entered the service of the latter company. In 1904 he decided his education needed broadening and entered McGill to take a special course of studies. One of these special subjects was geology. In studying rocks and formations the idea came to him that establishment of a cement-producing plant in the Montreal area was feasible and offered possibilities of a successful enterprise. He interested the Lakefield Portland Cement Co. in the project and in 1906 was given the job of constructing its plant at Montreal.

When the construction job was finished Mr. Kilbourn was placed in charge of operations. Canada Cement acquired this organization in 1909 and he was named superintendent of the plant, now designated Plant No. 1. Mr. Kilbourn was general superintendent of Canada Cement from 1919 to 1937; appointed a director in 1931; five years ago was made vice-president and later became assistant general manager.

Steel is one of the keystones of any industrial war effort. Difficult problems now face Canada on the question of supplies and priority. Mr. Kilbourn is projected into one of Canada's most difficult wartime posts.

• • •

Stop Me If . . . .

A Swiss general who visited Berlin was shown by the Nazis all the marvelous institutions of the Third Reich, including the efficient educational system. They took him to one of the Hitler youth schools which was specially reserved for the children of high officials. With a kindly smile, the general asked one of the boys, "Well, and what did you learn during the last hour?"

"Spontaneous, enthusiastic applause," was the prompt answer.

Other People's Views . . . .

The Canadian Editorial of the Week

A Job for Mr. Hepburn
Peterborough Examiner

Premier Hepburn may not go to Britain. In fact it seems the chances are he will not. Our belief is that there is something which needs doing right here in Canada which is as important and as much related to war effort as anything which Mr. Hepburn could find in Britain.

The need at home is for some person to deal with the Labor situation, and by that we do not suggest the individual would sit in an office and write letters. The need is for a travelling apostle, one who could go out and appear before men and talk and reason with them and absolutely sell them the idea that if we do not win this war then nothing else matters.

Our present method of dealing with labor trouble is not sufficient. We continue to have strikes, and we have had on our hands that miserable slowdown in the production of coal in the East, and the upheaval at Arvida which had the effect of closing down production in our greatest war industry. Certainly our Department of Labor as at present constituted has not measured up to the demands of the days through which we are passing.

Our belief is that Mr. Hepburn could deal with such cases. We'd like to see him go into action and meet the men. He is one of our most forceful citizens; he has exceptional ability when it comes to appealing to an audience and selling an idea. Mr. Hepburn can talk, argue, persuade and appeal from a wagon box just as well as from a platform with ferns to the right and left. And right now there is a great idea to sell, not only to workers but to their employers.

Admittedly it is a big job, and it is hard work, but if it is not done we are going to continue having these trouble spots, and each of them is going to drain us so that we will still be short of what we speak of as an all-out effort.

• • •

The Mail-box

Fronting for the Nazis

Editor, The Financial Post:

Re your Editorial "Revolution Still the Aim."

I don't know anything for a fact, but I still suspect that the subversive movement of which you speak (Communism) is largely guided, inspired and directed by Nazis, with possibly a few old-time fanatic International World Communists as "front" men.

EXECUTIVE

London, Ontario.

• • •

What is the Difference?

Editor, The Financial Post:

If a group of manufacturers combine together in order to monopolize that particular product or industry, they are liable, under the law, to punishment for "restraint of trade" (see heavy fines recently imposed on paper box manufacturers and tobacco manufacturers).

If a group of workers combine together and strike, thus restraining production, why are they not liable under the same law for "restraint of trade"?

Is not the law supposed to be impartial and apply to all classes?

Is it fair that one class should be liable and another immune?

Is it because the workers represent thousands of votes as against tens of votes represented by manufacturers?

IMPARTIAL

Toronto.

• • •

"Civil Liberties" in Wartime

Editor, The Financial Post:

The ordinary sane Canadian will be shocked by this manifesto of supposedly educated people. (Civil Liberties League of Toronto letter to Mr. Lapointe asking release of an interned leader of an illegal war strike). No wonder old Pétain handed his countrymen over to Germany for subjugation and training, being as he told them "rotten to the core."

No wonder André Maurois denounced his people for their degeneracy of mind when they so easily fell victims to German ready-made theories, designed to inflame a fanaticism which overpowered common sense, patriotism and religion, and drove them into slavery.

Canadians are eminently sane and of common sense. Are we to learn nothing from the fate of France? Are we to allow a minority of limited brains to save ourselves from the slavery of France?

GRATEFUL

Kingston.

• • •

What the Papers Are Saying

Death of Mr. Purvis
Baltimore Sun

Taking his chances the same as men in the fighting forces (and as many other civilians who are fighting no less) he was killed in the line of duty.

The time when a sharp distinction could be made between the "war-makers" who sit back and watch the game from a safe seat and the uniformed men who do the fighting and dying—that time plainly is past.

• • •

Royal Commissions
Winnipeg Tribune

Ottawa has a fondness for Royal commissions. The public appetite for them is somewhat less. But it appears evident that the public is not going to get anywhere near the facts of the Arvida episode without a commission of enquiry like that conducted by Mr. Justice Davis into the Bren Gun affair. If the Bren Gun episode was noisome, the Arvida affair positively reeks.

As Others See Us

Shorthand Speedsters
St. Thomas Times-Journal

The Financial Post states that the House of Commons special committee on war expenditures only meets two hours a day because the stenographers taking the evidence cannot transcribe more than that amount of wordage. As the members of the committee are paid $15 a day for expenses, the Post asks why more stenographers are not hired so that the committee could hold longer sessions.

If this were a British House of Commons committee, one stenographer would be enough and the committee could sit at least twice as long.

It is unlikely there are shorthand writers anywhere who can match the day by day routine achievements of the men who take the official reports of the committees of the British Parliament.

• • •

Conscription Where Most Needed
Acton Free Press

In a front page article the past week, The Financial Post draws attention to the weakening of Canada's war effort by strikes. In the first half of this year Canada had 125 strikes with 37,393 strikers. The item estimates this lost time means a loss equal to 20 bombers.

The sooner a firm hand is taken in stopping this insurrection on the home front the better. Men of the armed services who have volunteered to give their lives if need be in defense of country can hardly be expected to view these strikes kindly.

In this mechanized war of the present time when everyone is supposed to be in the front line, it does seem that the volunteer effort is falling down not so much in recruiting for the active fighting forces as it is with those who have the job of making the supplies. If conscription is necessary in any branch of our war effort it is in the production schedules where it is needed.

Sayings of the Week

"If the farmer's war effort is to be recognized, he must produce what is needed."—*J. R. Sweeney, deputy minister of agriculture of Alberta.*

• • •

"If the Nazis could add to their operational tactics half of the British guts they would be invincible."—*An R. A. F. officer to Dorothy Thompson.*

• • •

"Britain is healthier today than in 1914. As a consequence Britain is far better equipped to stand the strain of war than it was in 1914."—*Dr. Charles Hill, deputy secretary of the British Medical Association.*

• • •

"In all this barren parade of power and arms and treachery Hitler has at least achieved this much: he has convinced the world of his unbounded lust for world domination."—*Field Marshal Jan C. Smuts.*

• • •

"I look to the day when we shall go forward hand in hand to build a better, kinder and happier world for our children."—*Her Majesty the Queen.*

• • •

"Our sights have been altogether too low as to what the combined civilian and military demands would be."—*Leon Henderson, price officer of the U. S. defense programme.*

• • •

"The United States . . . is advancing in rising wrath to the very verge of war . . . But it would be madness to suppose that Russia or the United States are going to win this war for us. We stand here still champion. If we fail, all fail. If we fall, all fall." — *Rt. Hon. Winston Churchill.*

The Financial Post

Member Audit Bureau of Circulations

A weekly newspaper, presenting in a popular manner reliable information respecting investments, business and national affairs in Canada.

FLOYD S. CHALMERS, Editor
DOUGLAS M GOWDY, Business Manager.

Published by
The MacLean Publishing Co., Limited
481 University Avenue, Toronto 2
JOHN BAYNE MACLEAN, Founder and Chairman.
HORACE T. HUNTER, President.
H. VICTOR TYRRELL, Vice-President and Managing Director

Subscription Terms: Single copies, 10 cents. Yearly, in Canada, United States, Mexico and British Empire, $5; all other countries, $6.
Advertising Rates: Single insertion $4.20 per inch. Contract terms upon request.
Montreal: Dominion Square Building. Murray R. Chipman, Eastern Manager; John E. Langdon, Eastern Editor.
London, England: Quadrant House, 55 Pall Mall, S.W.1.

The Week in Business

Current business active with D. B. S. index of business activity for the week ended Aug. 9 more than 11% higher than year ago.

Railway carloadings for week ended August 9 substantially above corresponding week last year, total for year to date up 16%.

Railway gross traffic earnings for second week of August show good gains for both roads. Totals for year to date, 23% higher for C. N. R. and up 31% for C. P. R.

Automobile production in July shows small increase in passenger cars with truck output almost double last year. Total for first seven months down 8% for cars, up 117% for trucks.

Flour and wheat exports in July increase sharply over same month of 1940. Total flour exports for seven months up 81%, with total wheat exports 48% higher.

Livestock sales higher in both cattle and hogs. Total for year up 5% for cattle and 27% for hogs.

Life insurance sales in July and first seven months well above year ago.

Trend of business shown by The Financial Post Business Index and following key factories, new items for the week being marked thus.

TREND OF BUSINESS—	Aug. 9	Aug. 2	July 26	July 19	Aug.10/40
Weekly index of business, D.B.S.	114.8	114.2	113.5	112.2	103.1
Commodity prices index no.	91.2	91.0	91.1	91.2	82.5
	July	June	May	Apr.	Year Ago
The Financial Post business index	....	155.1	150.3	147.9	141.7
National Income, D.B.S.•	....	436.2	439.6	432.4	381.5
Retail sales index no.	....	134.3	134.7	135.3	116.6
Dept. store sales index no.	....	123.3	129.4	133.4	106.5
Wholesale sales index no.	....	140.0	148.4	141.7	136.3
Country store (% change pr. yr.)	....	+5.2	+8.8	+13.3	+8.3
COST OF LIVING—					
D.B.S. index	111.9	110.5	109.4	108.6	105.6
Family weekly budget	....	$18.50	$18.30	$18.23	$17.72
EMPLOYMENT INDEX Nos., D.B.S.	May 1	Apr. 1	Mar. 1	Feb. 1	Year Ago
All industries	145.5	141.3	135.3	135.2	114.3
Manufacturing	162.3	158.2	150.8	147.4	125.7
			Jan. 1 to date		%
RAILWAYS—	1941	1940	1941	1940	Change
▪Carloadings (week Aug. 9)	60,535	52,317	1,867,540	1,626,436	+14.8
▪C.N.R. gross (week Aug. 14) $	5,776,567	4,656,772	178,767,546	145,197,736	+23.1
▪C.P.R. gross (week Aug. 14) $	4,304,000	3,426,000	127,749,000	97,544,000	+30.9
C.N.R. net revenue (June) $	6,828,443	5,561,206	32,108,211	16,200,082	+98.2
C.P.R. net revenue (June) $	4,068,304	2,923,054	19,919,694	12,636,006	+57.6
IRON AND STEEL—(June)					
Pig iron production (tons)	112,313	88,656	625,551	549,627	+13.8
Steel ingots and castings prod. .... (tons)	187,163	166,213	1,148,435	958,240	+19.8
AUTOMOBILES—(Number)—					
Passenger Cars:					
Domestic sales* .. (June)	8,108	12,604	58,087	69,702	—16.7
▪Factory output . . (July)	3,849	3,397	69,048	75,576	—8.6
Trucks and Buses:					
Domestic sales* .. (June)	3,557	2,950	20,766	16,897	+22.9
▪Factory output ... (July)	20,805	11,071	108,477	49,838	+117.7
Financing:					
Used .... (June) $	5,911,251	4,860,525	28,677,863	21,402,739	+34.0
New .... (June) $	3,764,209	3,979,592	22,670,186	19,611,966	+15.6
CONSTRUCTION—					
Contracts awarded . (July) $	31,954,800	29,305,600	247,421,400	154,741,100	+59.8
▪Cement prod., bbls. (May)	861,000	732,000	2,392,746	1,798,862	+33.0
AGRICULTURE—					
Flour prod., bbls. .. (June)	2,117,976	1,170,238	10,016,499	7,567,572	+32.3
▪Flour exp., bbls. .. (July)	1,921,655	313,864	7,383,795	4,065,870	+81.6
▪Wheat exp., bush. . (July)	19,346,333	11,867,516	118,367,659	79,569,798	+48.8
▪Cattle sales▴ .... (July)	108,827	106,634	585,289	556,194	+5.2
▪Hog sales▴ .... (July)	434,808	372,204	3,446,217	2,695,636	+27.8
SEA FISHERIES—‡					
Catch cwts. .... (June)	1,044,000	814,000	3,645,800	4,829,500	—24.5
Landed value ...... (June) $	2,823,100	1,754,300	7,544,330	6,316,200	+19.4
NEWSPRINT—					
Production, tons ... (June)	273,697	315,343	1,621,134	1,641,987	—1.2
Exports .... (June) $	15,168,000	12,688,000	71,657,357	66,078,845	+8.4
MINING AND OILS—					
▪Coal prod., tons ... (June)	1,157,727	1,159,552	8,390,938	8,264,448	+1.5
▪Coal import, tons .. (June)	2,465,664	2,414,108	6,033,483	6,727,131	—10.3
▪Gold rec., fine oz. . (July)	453,184	401,186	2,983,063	2,846,800	+4.8
Crude oil imp., gals.† (May)	199,517	147,775	460,563	393,344	+17.1
ELECTRIC POWER OUTPUT—(June)—					
Total monthly, 1,000 kw.h.'s	2,560,060	2,578,883	15,732,385	14,968,503	+5.1
FOREIGN TRADE—♦					
Imports .... (June)	114,923,715	90,704,835	645,284,416	496,100,785	+30.0
Exports .... (June)	146,822,378	111,621,656	720,313,307	553,711,029	+30.0
OTHER INDUUSTRIAL FACTORS—					
Dressed lumber exp.: 1,000 bd. ft. ...... (June)	169,316	246,477	951,368	986,305	—3.5
Shoes, prod., pr. ... (June)	2,781,325	1,750,984	14,956,922	12,725,941	+17.5
Cotton consump., lb. (June)	15,915,739	15,378,128	98,620,217	96,600,255	+2.0
Raw rubber imp., lb. (May)	12,536,317	6,961,021	49,437,563	38,651,615	+27.9
Cigarette cons. No.† (June)	665,120	571,268	3,808,680	3,696,588	+3.0
Sugar manufactured .. lb.§	109,736,695	99,553,443	475,729,983	483,403,070	—1.4
FINANCE—					
Bank debits† ...... (June) $	4,240,630	2,681,585	18,510,099	17,001,690	+10.5
Bond sales† .... (June) $	40,100	40,851	473,434	1,138,868	—58.4
▪Life insurance sales (July) $	32,681,000	28,159,000	231,447,000	216,527,000	+6.9

*D.B.S. All Canada figure covering over 90% of the Canadian total.
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C.
▴Total at yards and plants. New items for week marked ▪
†000's omitted. §For four weeks to July 5. ♦Gold excluded.
•Millions of dollars.

B. C. Hop Industry Finds Big Demand for Produce

From Our Own Correspondent

VANCOUVER.—British Columbia is finding a greatly expanded market for its hops as a result of the elimination by war of such sources of supply as Germany, Poland, Czecho-Slovakia, Russia and Belgium.

During the next few weeks it is expected that a crop worth some $600,000 will be harvested in the Fraser River valley. Five thousand pickers have already gone to the fields, many of them from west-coast Indian tribes.

John I. Haas & Co. is the largest hop-growing organization in the British Empire and this season increased its plantings by 110 acres, making a total of 600 acres in production.

B.C. Hop Co. will have a crew of 1,800 pickers on its 350 acres. Other concerns involved are Hulbert Hop Co., H. N. Ord Co., and Canadian Hop Growers.

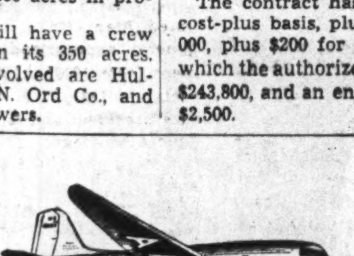
Dredge and Dock Gets Contract

From Our Own Correspondent

MONTREAL — Contract for erection of a $243,800 fitting-out berth at Saint John has been awarded Canadian Dredge and Dock Co.

Total length of the berth will be 723 ft. when completed, and will be part of the subsidized drydock of the Saint John Drydock and Shipbuilding Co.

The contract has been let on a cost-plus basis, plus a fee of $12,000, plus $200 for each $10,000 by which the authorized work exceeds $243,800, and an engineering fee of $2,500.



NEW YORK

3 FLIGHTS DAILY

$22.55 one way • $40.58 round trip

CHICAGO—Three services daily. 4 hours, 34 minutes. Daily service to St. Louis, Oklahoma, Texas, California.

BOSTON—Five services daily. 3 hours, 45 minutes.

ROCHESTER—Twice daily to Rochester (1 hour, 33 minutes) and Syracuse (2 hours, 13 minutes).

WASHINGTON—Five services daily. 3 hours, 31 minutes. Daily service to Pittsburgh and Baltimore.

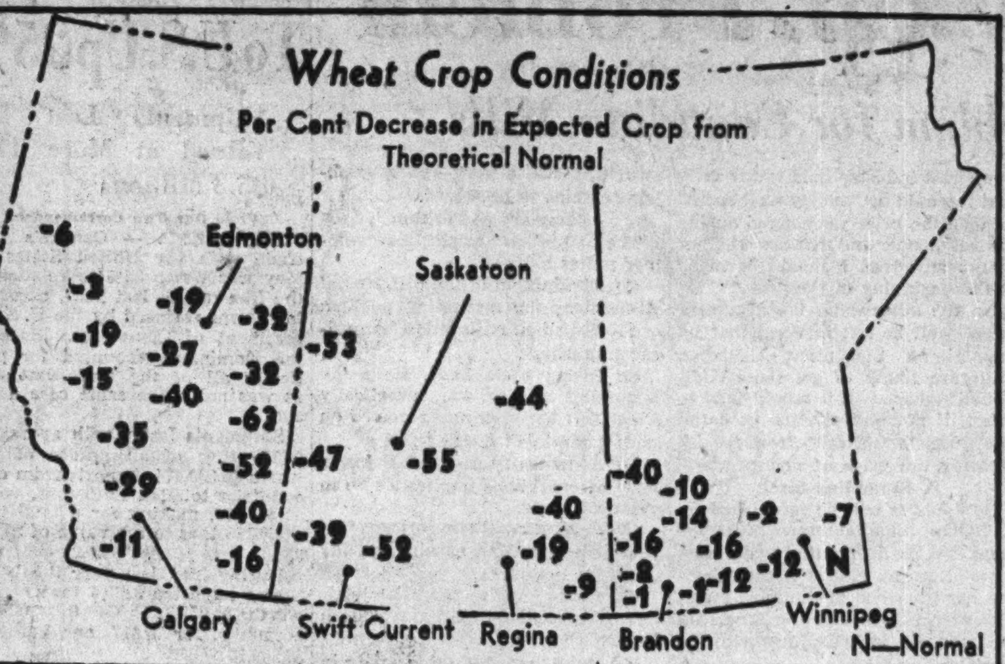
GOING			
Lv. Toronto	11:00 am	*4:20 pm	7:40 pm
Ar. Buffalo	11:37 am	4.57 pm	8:17 pm
Ar. Newark	——	——	10:30 pm
Ar. New York	1:52 pm	7:13 pm	10.55 pm
RETURNING			
Lv. New York	6:40 am	9:05 am	*4:05 pm
Lv. Newark	7:05 am	——	——
Lv. Buffalo	9:20 am	11:25 am	6:20 pm
Ar. Toronto	10:00 am	12.05 pm	7:00 pm

(Standard Time Shown)
COMPLIMENTARY MEALS SERVED ALOFT.
*Through service. No change of Planes.

For reservations, call your Travel Agent or Waverley 4661.
Ticket Office: Reford Bldg., 36 Wellington, West.

AMERICAN AIRLINES
ROUTE OF THE FLAGSHIPS

Crops Like This Mean Less Cash For Farmers



Only in one crop area — in south-eastern Manitoba — does this year's crop promise to reach theoretical normal, and in no area to exceed it. The percentage declines are placed on the map to coincide approximately with the standard crop areas. The situation has wide implications for Canadian business.

Western Incomes Hard Hit

Present Indications Suggest Little Cash

By DONALD G. MACLEAN
Staff Writer, The Financial Post

Preliminary estimates of western Canada's 1941 wheat crop place it at around 280 million bushels. This is a reduction of some 240 million bushels or almost 50% from last year.

Normally a decline of this size in western wheat production means a sharp drop in the western farmer's income with a consequent slowdown for firms doing business there. Offsetting this for business generally is, of course, the pressure of war business, scarcity of raw materials and the avowed policy of the Government in discouraging consumer buying.

But there are a number of other factors involved this year.

In the calender year 1940 western farm cash income from all products was estimated at $326.8 millions or but slightly above the $325 millions which Hon. J. G. Gardiner, Minister of Agriculture, estimated as necessary to maintain the western economy.

Below 1939

It was $10 millions below the cash income of 1939 but higher than for any previous year back to 1929.

It has also been estimated that in 1940 wheat contributed only 54% of the total income of the Prairie Provinces in 1940 against 63% in 1939. This was accompanied by a marked expansion in the income derived from livestock.

Yet even on last year's figure wheat contributed more than half the total western farmer's cash income. In 1940, moreover, out of the large crop harvested, approximately 460 million bushels were delivered to the elevators. While not all of this was bought by the Wheat Board, the farmer was able to realize cash on all of it.

The amount of wheat that can be delivered from the 1941 crop in the three western provinces however is set at 222 million bushels or under half of that of last year. With the guaranteed price for wheat 70 cents, the same as last year, it seems probable the income from wheat will be just about half that of the 1940 crop. In some quarters it is expected that if the crop is only about 280 millions, the Wheat Board will accept all that farmers deliver. But even if the whole crop were delivered the return at the guaranteed price would be far below last year.

Hog Production

Meanwhile hog production and hog deliveries in the West have increased enormously. It is estimated that deliveries in the three Prairie Provinces are up almost 30% so far in 1941 over 1940, while prices recently have been over 20% higher.

On top of this in accordance with the Government plan to hold wheat production down, prairie farmers will receive approximately $22 millions for ground left fallow and will have such revenue as they derive indirectly from coarse grains.

But unless the increased revenue from livestock and from government bonus for summer fallow could offset the reduction in wheat income, western Canada farmers will have less money to spend this year than in 1940.

Not all districts, of course, are affected the same way.

In Different Areas

The accompanying map shows how the condition of the crop in various sections at last reports compares with the theoretical normal. In only one district is the figure normal. Thus, an average percentage compares as follows:

Alberta, 68 against 95 last year.
Saskatchewan 57 against 74.
Manitoba 90 against 85.

While the crop in most sections is now pretty well matured, much of it having been cut, there are some areas where favorable conditions from now on would increase the yield substantially, especially in the northwestern sections of Alberta.

Unfortunately for the western farmer the cost of living on western farms has been moving steadily upward. The index for western Canada has risen from 99.2 in the fall of 1939 to 111.4 in the spring of 1941.

Falling farm revenues and higher living costs do not spell prosperity for the western farmer.

Zeller's Sales Gain in July

From Our Own Correspondent

MONTREAL.—Sales of Zeller's Ltd. during July amounted to $729,250, compared with $609,000 in the same month last year, representing an increase of $120,250, or 19.75%.

In the six months period from Feb. 1 to July 31 sales totalled $4.2 millions, an increase of $907,828, or 27.86% over the first half of the previous fiscal year.

Coal Production At Two-year Low

Effect of Miners' Slowdown Strike Apparent in July

From Our Own Correspondent

MONTREAL.—As a result of the slowdown strike of Cape Breton coal miners, coal production in Canadian mines during June was at the lowest level since July, 1939. Totalling 1,157,727 tons, production for June compares with 1,198,255 tons in May and 1,159,552 tons in June, 1940.

Slowdown Effect Shown

The miners' slowdown programme started in April and despite lower output in the last three months recorded by Dominion Bureau of Statistics, total production for the first half of the year was 8,390,938 tons, an increase of 126,490 tons over the first six months of 1940.

Imports of coal into Canada during June rose by 2.1% from the same month of the preceding year to 2,465,663 tons.

NEW PRESIDENT

M. C. McCannel, C.A., of Edmonton, Alta., was elected president of the Dominion Association of Chartered Accountants for 1941-42 at the 39th annual meeting of that association held in Vancouver, Aug. 11 to 14.

Quebec Names Power Group

Bouchard Heads Committee to Negotiate Beauharnois Acquisition

From Our Own Correspondent

MONTREAL.—The Quebec Government has named a committee of Cabinet members to study the purchase by the province of the Beauharnois Light, Heat and Power Co. Preliminary work is now being done leading up to the opening of negotiations.

The committee is composed of the Hon. T. D. Bouchard, Hon. P. E. Cote, Minister of Lands & Forests; Hon. Edward Rochette, Minister of Mines and Labor; Hon. J. A. Mathewson, K.C., Provincial Treasurer; and Hon. Oscar Drouin, Minister of Trade.

The committee will decide, after interviews with officials of the corporation, whether it can be taken over by private agreement or expropriated along the lines laid down in legislation adopted at the last session of the Legislature.

Decide on Values

Prospects are the Government will proceed slowly with its plans for taking over Beauharnois. The principal problem involved is whether an agreement can be reached on the value of the company's capital stock.

It is presumed that if, as and when the deal goes through the Beauharnois bonds will remain undisturbed, but carrying the guarantee of the Provincial Government.

The value of the stock, a majority of which is held by Montreal Light, Heat & Power Cons., is another matter. Beyond its actual intrinsic value, the stock has a potential value of considerable importance and the problem will be to determine what value to place upon the intangibles.

Ontario Hydro Gains 14.9%

War Spurred Industrial Needs Continue Contra-seasonal Power Trend

July figures for peak power requirements of Hydro-Electric Power Commission of Ontario show a small gain over June, again presenting a contra-seasonal trend. Under normal conditions power requirements decline each summer until about the end of August, but that has not been the case this year.

The explanation is the steadily mounting industrial load developing from war production. This is particularly evident in the Niagara System, which shows a gain of 14.3% in primary peak power load for July this year over the same month of 1940.

The total gain in primary power load last month was 14.9% over a year ago. Largest percentage gain was shown by Georgian Bay system, but the others, with the exception of Thunder Bay, followed closely.

Still evident is the lessened sale of secondary power as the primary load climbs closer to the total available power supply.

Maximum 20-Min. Peak H.P. System:	July, 1941	July, 1940	Incr. %
Primary Loads:			
Niagara	1,265,013	1,107,105	+14.3
Eastern Ont. .	162,466	136,973	+18.6
Georgian Bay.	49,897	40,168	+24.2
Thunder Bay .	98,525	96,247	+2.4
Northern Ont..	224,351	186,401	+20.4
Total	1,800,252	1,566,894	+14.9
Primary and Secondary Loads:			
Niagara	1,439,678	1,368,901	+5.2
Eastern Ont. .	162,935	163,099	—0.1
Georgian Bay.	49,897	40,235	+24.0
Thunder Bay .	102,172	100,389	+1.8
Northern Ont..	257,595	215,892	+19.3
Total	2,012,277	1,888,516	+6.6

General Motors Stages War Products Display

Military motor vehicles, shell fuses and other war products of General Motors plants feature the General Motors of Canada display at the Canadian National Exhibition, opening this week. The exhibit will include a 30-foot animated map showing the flow of vital war materials to the centre of production, demonstration of shell fuse manufacture, and displays of machine guns, gun carriages and one of the Allison liquid cooled aircraft engines being made by General Motors in the U. S.

A CHECK-UP OF YOUR INVESTMENTS

A requisite of a sound investment portfolio is a periodic analysis by a competent investment consultant. This service may be obtained without obligation at any of our offices:

A. E. AMES & CO.
LIMITED
Business Established 1889
TORONTO
Montreal Winnipeg Vancouver Victoria New York London, Eng.

Investment Securities

McLEOD, YOUNG, WEIR & CO.
LIMITED
Metropolitan Building, Toronto
Offices at Toronto, Montreal, Ottawa, Hamilton, London.
Correspondents in New York and London, England.

THE ONTARIO LOAN AND DEBENTURE CO
LONDON, CANADA
Established 1870
DEPOSITS ACCEPTED 5-YEAR DEBENTURES ISSUED
Deposits and Debentures (31 Dec., 1940), $12,147,569
Capital (Fully Paid), $2,000,000 Reserve Fund, $2,400,000

METROPOLITAN LIFE INSURANCE COMPANY
FREDERICK H. ECKER, Chairman of the Board
LEROY A. LINCOLN, President

To all Metropolitan Policyholders:

Three and one-half years ago, we decided to devote part of our advertising effort to explaining how a life insurance company operates.

Since then, we have published thirty-nine advertisements having this as their aim. We have told you about mortality tables, dividends, surpluses, diversification of investments, and many other subjects. However, so far in the series we have not covered in detail Metropolitan agency practices and principles which govern life insurance selling activities.

Accordingly, we are devoting this and several succeeding messages to their explanation.

The principles underlying our sales practices are designed to help us provide you with the kind and amount of insurance protection you should have at the lowest cost consistent with safety. Briefly stated, these basic selling principles are . . .

1. Your life insurance program should be fitted to your own particular needs and those of your family.
2. In taking out life insurance, full consideration should be given to the relationship between your income and your insurance needs.
3. As your insurance needs change, or your income varies, your insurance program should be fitted to your new situation in whatever way will best serve your interests and your family's. Your Company or any representative will be glad to advise you in such cases without charging you a fee of any kind.
4. The Company should do everything it reasonably can, not only to make it convenient for you to keep your life insurance program in force, but also to help fulfill its objectives.

Life insurance companies have found that the most satisfactory way to help you accomplish these things is through the Agency System. Metropolitan agents are especially trained in life insurance, so that they may be equipped to help you with your problems. This method of selling life insurance has been given the stamp of public approval by generations of policyholders.

This is Number 40 in a series of advertisements designed to give the public a clearer understanding of how a life insurance company operates. Copies of preceding advertisements in this series will be mailed upon request.

Metropolitan Life Insurance Company
(A MUTUAL COMPANY)
NEW YORK
Frederick H. Ecker, CHAIRMAN OF THE BOARD
Leroy A. Lincoln, PRESIDENT
CANADIAN HEAD OFFICE
OTTAWA

Newsprint's Price Sets Up Problem

Action Eliminating Price Differential Problem for Canadian Mills

By JOHN LANGDON
Eastern Editor, The Financial Post

MONTREAL. — Great Northern Paper Co., one of the leading American newsprint manufacturers and long a thorn in the side of the Canadian industry, has announced a price of $50 a ton New York delivery for the last quarter of 1941.

This is by far the most important development in the American newsprint market in the last two years. Its significance may be highlighted as follows:

(1) By advancing the price from $49 to $50 a ton, Great Northern has eliminated the differential existing between the price set by the Canadian mills and part of the United States industry.

(2) Advance of price is recognition by this operator of the factor of rising costs.

Raises Difficult Problem

The action of Great Northern Paper places a difficult decision squarely in the lap of the Canadian industry.

Within the next two or three weeks the Canadian mills will have to decide on whether to maintain or increase the price of newsprint in the last quarter of 1941.

The problem is made more than ordinarily difficult by two important factors.

In the past few years there has always been a differential of from $1 to $2 a ton in favor of Great Northern Paper and allied mills in the United States, as against the Canadian mills, International Paper and a few other American manufacturers.

This has been a sore spot in the relations between the Canadian mills and the American publishers. Unquestionably it has meant that certain business which would ordinarily have come to Canada has been placed with the lower rate American mills.

By not changing the price during the last quarter the Canadian mill price will be on a parity with the Great Northern price, a point which would add considerably to the strength of the Canadian product in the American market.

This is of very considerable importance and will weigh heavily in all discussions regarding the price to be set for the last three months of the year.

Opinion Here Undecided

Opinion among Canadian mills as to price policy is undecided; in fact, was undecided before Great Northern made its announcement.

There are those who favor a maintenance of the existing price of $50 a ton. This group will be more determined to hold the price schedule in view of Great Northern's action.

On the other hand the views of those who favored an adjustment of prices to take care of rising costs and taxation are strengthened. It is apparent Great Northern Paper, which has benefitted very considerably in the past from its price policy, would not advance the price $1 a ton unless it felt that conditions justified the move.

Such being the case, then there is even more justification for the Canadian mills altering their price schedule upward.

Lower Profits Reported

During the first half of the year Great Northern Paper earned $1.29 a share on its capital stock. This compared with $1.43 for the like period last year.

International Paper and Power, which has adhered to the $50 price policy, reported net profits in the first six months of 1941 at $2.55 a share, as against $2.74 a share for the same period in 1940.

There the similarity of trend stops. Great Northern's newsprint mill has been operating at full capacity for some time and on overhead and other fixed charges is considerably favored.

International Paper's mills in Canada, as well as others located in this country, have been operating at considerably less than capacity—currently around 70%—so that their overhead and other charges per ton of output are higher than those of Great Northern Paper.

Strengthen Arguments

Advocates of a price increase for Canadian newsprint will have no trouble in arguing successfully that if Great Northern Paper operating at 100% of capacity finds it necessary to advance the price of its product, then the Canadian mills operating at only 70% of capacity have even greater cause for an upward adjustment in the price schedule.

There does not appear to be much in the way of the Canadian mills advancing the price of newsprint for the last quarter of this year.

On the other hand the question of market relations is likely to loom very largely in all discussions of price policy.

Elimination of the price differential is highly important. If at all possible it is desirable that parity of price be maintained by the Canadian mills.

Pay for Goodwill

On the basis of shipments to the United States last year, each advance of $1 a ton would give the Canadian mills an additional income of around $600,000 during the last quarter and of about $2.6 millions over a 12 months' period.

The question is whether or not the Canadian mills want to give up from $500,000 to $1 million dollars of additional revenue in the last quarter in order to better their relations with the American publishers.

Some quarters of the Canadian newsprint industry hold to the view that it would be "money well spent" to keep the price unchanged during the last quarter and then see whether or not an advance should be made at the beginning of the year.

On the other hand the argument might well be put forward that by maintaining the price, Canadian mills are likely to get some additional tonnage. This would tend to offset, if not entirely, the potential loss which would arise from not increasing the price of newsprint.

A Stumbling-block

No doubt it will be recognized by Canadian manufacturers of newsprint that the differential as between their price and that of Great Northern has been one of the most effective weapons used by the American publishers in their dealings with the operators.

Thus if it is decided to raise the price in the last quarter, the status quo remains unchanged and the publishers can continue to use this differential to secure better terms.

It will be clearly seen that while Great Northern's action in raising the price of its newsprint by $1 a ton is welcomed by those mills which have adhered to the higher price structure, still a very knotty problem remains to be solved.

Summary of Position

The situation might be summarized as follows:

(1) Elimination of the differential strengthens the marketing position of the Canadian mills among American publishers:

(2) Rising costs have, since the beginning of the war, practically wiped out the premium received on sales made in U. S. funds;

(3) A tendency toward a lower scale of operations implies a rise in overhead costs;

(4) A substantial rise in taxes this year will affect net earnings of the Canadian operators;

(5) A rise in price would be justified by the action of Great Northern Paper;

(6) Maintenance of price parity in the last quarter would likely bring additional business to Canadian mills.

The pros and cons weigh about equally. It may be the Canadian mills will decide to leave the price structure unchanged until the end of the year. In any event a decision will have to be reached before the end of this month.

Sales of Pulp To U.S. Up 25%

Shipments Last May Valued at More Than $5.3 Millions

From Our Own Correspondent

MONTREAL. — Canada's pulp trade with the United States last May was worth 25% more than for the like month last year, according to returns released by the U. S. Department of Commerce. Moreover the Dominion accounted for practically all of the trade last July, as was much the same case a year ago.

Shipments last month aggregated 95,175 tons of all grades of pulp worth $5,330,474. Imports from other countries totalled 1,010 tons, valued at $57,879, making for a total trade of 96,185 tons to the value of $5,388,353.

During May last year the United States imported 81,345 tons of pulp worth $4,059,822. Of this Canada accounted for 78,817 tons, valued at $3,939,100.

Chemical Grades in Demand

The gain in Canadian shipments was confined to the chemical grades. Rayon pulp shipments increased from 7,543 tons in May, 1940, to 9,494 tons in May this year, with values advancing from $616,292 to $787,893.

Unbleached sulphite pulp exports from the Dominion to the States last May, at 27,247 tons, were up nearly 6,000 tons over May, 1940. Sulphate shipments aggregated over 15,000 tons, as against 11,000 tons a year ago. Shipments of the paper grades of bleached sulphite moved forward from 18,948 tons to 24,198 tons this year.

DIRECTORS
HON. EARL ROWE
President
A. D. COBBAN
Vice-President
L. E. ALDRICH
RAY LAWSON
W. J. PALMER
C. B. SHIELDS
R. G. MEECH, K.C.
SEN. N. M. PATERSON
J. E. GEFAELL
Vice-president in charge of sales
C. ENGLAND
Assistant to the President and Secretary-Treasurer

The GREAT LAKES PAPER COMPANY Limited

Manufacturers of
HIGH-GRADE NEWSPRINT
and
SULPHITE PULP

A modern mill affording an annual capacity of 113,000 tons newsprint, also excess sulphite mill capacity sufficient to provide 15,000 tons annually of unbleached sulphite pulp for export.

PAPER MILL AT
FORT WILLIAM, ONTARIO
TORONTO OFFICE
55 YORK STREET

Newsprint Shipments To India $137,000

MONTREAL.—Imports of newsprint into India during the first quarter of the year totalled 1,375 long tons, valued at $137,000 U.S. currency. About two thirds of this total came from Canadian mills.

It is understood large orders were placed by Indian importers near the end of the quarter because of rumored import restrictions. The Government of India actually imposed restrictions Apr. 12 on an interim basis. The Government intends to replace this arrangement by a plan in which actual requirements and not past importations will be the governing factor, it is understood.

Stocks of Newsprint Paper Reach Uncomfortable Level

From Our Own Correspondent

MONTREAL. — Apparent supply of newsprint paper on hand with American publishers and all North American mills at the end of July was 839,138 tons, according to returns compiled by the American Newspaper Publishers Association, News Print Service Bureau and the Newsprint Association of Canada.

This is the highest figure reported since Mar., 1938. It is still too early to determine whether these exceptionally large stocks are the result of equalizing of deliveries by American publishers, or represent an accumulation of stocks beyond ordinary needs.

Mill Stocks Low

The sharp advance in stocks last month was credited to the publishers. North American manufacturers reported a supply of 240,446 tons, which was subnormal for the time of year. On the other hand, apparent publishers' stocks in the States totalled 598,692 tons, or 20% greater than a year ago, and a figure that has been exceeded only between Oct., 1937, and Mar., 1938.

The all-time record of stocks was established in Dec., 1937, when supply amounted to 943,161 tons.

Breakdown of stocks as at the end of last month follows:

North American Newsprint Stocks
(As at July 31—in tons)

	1941	1940
All U. S. publishers ..	598,692	500,635
Canadian mills	159,145	175,750
U. S. mills	10,623	13,893
Nfld. mills	70,678	48,894
Total stocks	839,138	739,172

Pulpwood Sales Advance Sharply

From Our Own Correspondent

MONTREAL.—Exports of pulpwood from Canada to the United States last May recorded a sharp advance, value having been nearly three times as great as a year ago.

According to the U. S. Department of Commerce imports of pulpwood from Canada last May totalled 129,499 cords, valued at $1,184,286. This compares with 47,191 cords, worth $400,416 in the same month last year.

A Good Name

For over 70 years the name Maclaren, in the Ottawa Valley, has stood for fair dealing and a quality product.

Newsprint—Groundwood
270,000 h.p. Hydro Power Installed capacity

MACLAREN POWER & PAPER COMPANY
Maclaren-Quebec Power Company
The James Maclaren Company Limited
BUCKINGHAM, QUEBEC

DONNACONA
INSULATING PRODUCTS
FOR EVERY INSULATING PURPOSE
Alexander MURRAY & Company
LIMITED
MONTREAL TORONTO HALIFAX
SAINT JOHN WINNIPEG VANCOUVER

Abitibi Power & Paper Company, Limited
TORONTO, ONT.

Owning directly or through subsidiary companies, mills at

Beaupre, Que. Iroquois Falls, Ont.
Pine Falls, Man. Smooth Rock Falls, Ont.
Sault Ste. Marie, Ont. Fort William, Ont.
Port Arthur, Ont.

Newsprint
Groundwood Pulp News Sulphite Pulp
High Grade Bleached Sulphite Pulp

I. P. Earnings Off Slightly

Six Months Profit $2.55 a Share, Against $2.74 a Year Ago

From Our Own Correspondent

MONTREAL. — International Paper & Power Co. and subsidiaries report net income for the second quarter of 1941 of $3,214,688. This was equal after preferred dividend requirements to $1.10 a common share, compared with an adjusted net income of $3,938,859 or $1.47 a common share in the like period last year.

Provision for taxes, including those under proposed laws, was $5,999,512 in the 1949 period against $4,616,240 in the 1940 quarter.

Show Small Decline

Net earnings for the first half of 1941 were $6,761,511, equal to $2.55 a common share. This contrasts with earnings in the first half of 1940 of $6,899,433 or $2.74 a common share.

Provision for taxes in the first six months of 1941 was $9,075,052, compared with $5,259,885 in the same period of 1940.

As of June 30, there was still an accumulation of unpaid dividends on the 5% cumulative preferred stocks totalling $5 a share.

Three Months Ended June 30

	1941 $	1940 $
Gross income	51,093,747	44,527,081
Cost & expenses	38,101,665	33,652,003
Net revenue	12,992,082	10,875,078
Less: Bond interest ..	722,563	770,085
Other interest	1,110	506
Debt discount	95,346	87,937
Depreciation	2,716,746	1,200.763
Depletion	227,943	246,198
Sub. dividends	8,495	......
Dividends accr.	5,878	14,488
Taxes	5,999,512	4,616,240
Net profit	3,214,688	3,938,860

Six Months Ended June 30

	1941 $	1940 $
Gross income	95,166,299	78,189,172
Cost & expenses	71.819,534	61,439,952
Net revenue	23,346,765	16,749,220
Less: Bond Interest ..	1,436,581	1,551,500
Other interest	3,428	1,552
Debt discount	179,078	175,875
Depreciation	5,425,061	2,387,507
Depletion	437,163	442,403
Sub. dividends	16,994	......
Dividends accr.	11,895	31,064
Taxes	9,075,052	5,259,885
Net profit	6,761,511	6,899,433

Newsprint Mills Ratios Decline

Operations and Shipments Rise Seasonally, but Below Last Year

From Our Own Correspondent

MONTREAL. — Production and shipment operating ratios of Canadian newsprint mills recorded a seasonal advance during last month, but compared with July a year ago, there was a decline.

The trend of operations is set out in the table below:

Operating Ratios
(Percentage of Capacity)

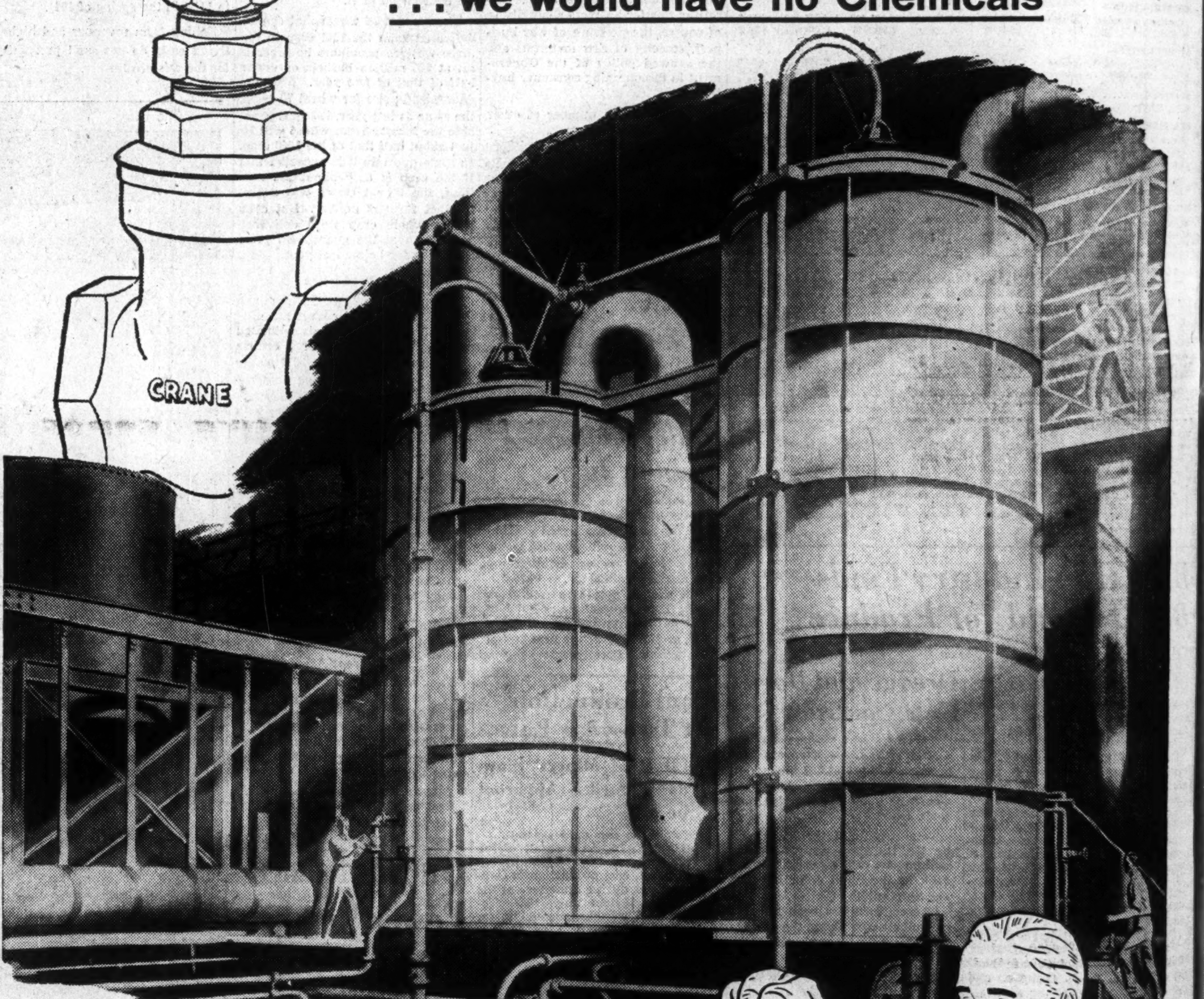
	Output 1941	Output 1940	Shipments 1941	Shipments 1940
Jan.	71.5	68.5	66.6	66.7
Feb.	72.9	65.8	71.1	60.0
Mar.	75.5	68.6	72.8	64.2
Apr.	76.7	73.4	78.2	72.9
May	75.1	85.1	76.8	87.9
June	77.9	89.5	80.3	96.1
July	80.4	90.8	82.2	92.1
Aug.	...	83.2	...	87.3
Sept.	...	83.5	...	84.0
Oct.	...	81.5	...	75.7
Nov.	...	77.1	...	78.3
Dec.	...	71.8	...	78.5
Year	...	78.3	...	78.7

Great Northern Paper Net Profit Decreases

From Our Own Correspondent

MONTREAL. — Great Northern Paper Co. and wholly owned subsidiaries reports net profit for the six months ended June 30 of $1.3 million, equal to $1.29 a share on capital stock outstanding. This compares with $1.4 million in the corresponding period last year, or $1.43 a share.

without
VALVES & FITTINGS
... we would have no Chemicals



"Now, you see the part Crane is playing!"

No basic industries depend more on valves and fittings than chemical and process plants with their huge batteries of storage tanks, mixing vats, high-pressure machinery for liquefaction and seemingly endless networks of pipelines. Their requirements are highly specialized: valves and fittings for these essential war industries must have qualities not needed elsewhere.

So, as part of its national* job, Crane makes valves and fittings of nickel-iron, acid-bronze, chrome-steel and other corrosion-resisting alloys for the handling of process liquors, dyes, acids, gases and other solutions. These are part of the 30,000 odd varieties of units Crane manufactures for railways, ships, mines, oil refineries, power plants and other industries.

Gas, oil, water, air and steam are *motivating* fluids whose flow is governed and controlled by Crane valves. Crane fittings and fabricated pipe are the vital arteries that convey them as necessities dictate and enable industry to function on an all-out war basis.

*CRANE 4-POINT WAR PROGRAMME

First, to supply all Canadian industry with the valves, fittings and fabricated piping vital to its operation.

Second, to utilize our plant capacity to the utmost in filling the Government's munitions requirements.

Third, to furnish plumbing and heating materials for army camps and workers housing.

These three must take precedence

★ ★ ★

Fourth, as in peacetime, to guard the nation's health with adequate plumbing and heating equipment for home and institutional use.

Crane's four plants and Crane's workers are putting everything into this four-fold task. It is their contribution to Canada's all-out war effort.

CRANE
CRANE LIMITED; HEAD OFFICE: 1170 BEAVER HALL SQUARE, MONTREAL
Branches and Warehouses in 18 cities in Canada and Newfoundland

Crane Limited, Montreal, Que. • Port Hope Sanitary Mfg. Co. Ltd., Port Hope, Ont. • Canadian Potteries Limited, St. Johns, Que. • Warden King Limited, Montreal, Que.

THE FINANCIAL POST

Largest Circulation of All Canadian Financial Papers

Vol. XXXV | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, AUGUST 23, 1941 | 10c a Copy; $5.00 a Year | No. 34

Why Hitler Hasn't Yet Bombed Canada

Because Nazis Still Using "Softening Up" Weapon Against This Continent

By H. DUNCAN HALL

Why has Hitler not yet bombed Canada? When will he begin?

These questions are the key to a door. If we turn the key we uncover a narrow and dark stairway leading straight down to the control room of Axis grand strategy of war.

Another key to the same door was supplied by President Roosevelt when on landing on August 16 from the Potomac he expressed annoyance at the disclosure of the position of the yacht during the night LEST IT SHOULD HAVE BEEN ATTACKED BY A SUBMARINE.

Nothing could reveal better the President's inner thought—his knowledge that he is IN the war, and his pre-occupation with the question when the "shooting war" will begin.

He thought it could conceivably have been that night last week. There were the best of reasons for the secrecy of the Atlantic rendezvous.

Attack on Detroit

One of the Atlantic Ferry pilots—Colonel Hutchinson of the "Flying Hutchinson" family—published an article last week in the American press explaining in detail the feasibility of a surprise bombing attack on Detroit. If Detroit—then all of Canada eastwards and north of Detroit.

A surprise attack could be made without having to worry about detectors or fighting off anti-aircraft barrages. And, after all, Canada is formally in the shooting war, and is a great arsenal of supplies offering large undefended targets to bombers. So why not so far?—and when?

The answer is in brief that Hitler regards all North and South America as out of the "shooting war." He wants to keep them out as long as possible. He has weighed Canada's attitude and notes the effect on Canadian psychology of Canadian troops having so far escaped large-scale action and long casualty lists. He knows that if he drops one bomb the United States will jump straight into the shooting war. But the instant the United States does enter the war the time will have come at last for the dropping of Nazi bombs in Winnipeg and Detroit and Toronto and Ottawa and Montreal and Vancouver. But then the motive will be something quite different. The objection that such an attack might not have great military value—if valid, and I doubt if it is—ignores the grand strategy of a total war as Hitler fights it. With the United States in a shooting war it would be worth Hitler's while to drop even a few bombs.

He could reasonably count upon a public agitation—in the United States, if not in Canada—to divert the flow of planes and guns for Britain to the defense of Detroit and other North American centres.

He could count on pinning down in America at least some of the vital supplies needed on the British and Russian fronts where they can do him infinitely more harm than waiting for stray Nazi bombers over North America.

The grand strategy of the war was obviously examined thoroughly by Roosevelt and Churchill and their heads of staff at the Atlantic Sea Conference. How far-reaching those discussions were is shown less in the much publicized joint declaration on war and peace aims than in the extraordinary joint Roosevelt-Churchill letter to Stalin.

"We . . . are co-operating to provide you . . . many shiploads have left OUR shores . . . OUR joint resources . . . OUR common effort . . . OUR armed services . . . we feel therefore that we must not . . . fail to act quickly . . ."

Yet for all these epoch-making words, though we are on the eve of great events that may determine the winning or losing of the war, millions of people in North America, including Canada, are living in a fool's paradise.

They are having a vacation from the war—a vacation they can take because Hitler decided to strike eastwards this summer—to attack Russia. They are light hearted. The war goes well. It may end very soon. Hitler has turned east. The Atlantic sinkings are down. The Atlantic Declaration has been adopted. Thumbs are up. The "V" campaign runs full blast.

That is why Hitler does not yet drop bombs over here; because he wants the American and Canadian people to keep thinking that way.

Consider the Worst

Whilst hoping for the best, let us face out the worst, and see how the strategy of the war will look if the Russians collapse. What will have happened?

The one great continental land-army capable of meeting Hitler on the continent on more or less even terms, with great numbers, excellent morale, and equipped with planes, tanks and guns, will be out of the war. There is as yet no army in sight to take its place—not in England and less in America.

Then in Eurasia things will begin to happen. The countries that wait on this event will be sucked into the German vortex. Spain, France and the French Navy, Portugal, North Africa to Dakar, perhaps Turkey.

The assault will be joined between the German colossus and the armies of the British Empire scattered round the fringes from Gibraltar to Egypt, Syria, Iraq, Iran, Afganistan and the island fortress of Britain.

What the American Army chiefs and Secretary Stimson think of the danger of Germany breaking through into the Atlantic and penetrating via Dakar into South America can be seen in Secretary of War Stimson's broadcast to the army on August 16.

And at some point Japan may take the plunge and descend upon Singapore, whilst the Japanese Navy cuts the 20% of British war supplies that come from India and the South Pacific.

The Japanese navy is the greatest unplayed card in the hands of the Axis. It would be the height of folly to assume that it will not be played merely because in playing it Japan would stake her whole future on a most uncertain issue.

Gangster Mind

What future can the present rulers of Japan have within the four walls of the Roosevelt-Churchill declaration? They are the nearest to the Nazis in gangster mentality. Militarism has for them the same absolute unquestionable value. They have the same tribal morality. They are in a tight corner. And the gangster has a habit of shooting his way out.

A gloomy forecast indeed—but exactly the bright future that the Nazis foresee for themselves—the master-plan of their grand strategy. They know well enough that we have caught a glimpse of it; but they count on us not turning and facing it in time. They count on us acting like the man on the lonely road in the Ancient Mariner who walks

"in fear and dread,
"And, having once turned round,
Walks on and turns no more his head,
Because he knows a fearful fiend
Doth close behind him tread."

That this is the Nazi-Japanese strategy there is no shadow of doubt. Their whole strategy has been to take their victims one by one.

As Yugoslavia waited, so waited Russia for her turn, and so waits Turkey on the edge of her turn.

And farther back waits the United States.

So also wait, if they but knew it, the two other Axis partners.

The Nazis have shown the greatest diplomatic skill in using their intended victims and satellites as agents in their grand strategy. The pact with the Soviets was used to close the eastern front and demoralize the west whilst Hitler finished off Poland and France. Vichy France has been used ruthlessly where it could be used. Japan was brought into the Axis in order to use the puppet voice of Matsuoko to cry out warnings to the United States that the Japanese Navy would be thrown into the scales if America joined in the war.

The "honorary Aryans" of Japan walk their lonely road with fear and dread. But where can they escape? If Russia were to win they would have to creep back into their islands and cease pretending to be a great power, or fight with the certainty of annihilation at the hands of Russia, China, America and the British Empire.

Meanwhile the Nazi political and psychological war is directed day and night at the United States, BUT IN SUCH A WAY AS TO KEEP HER OUT OF THE SHOOTING WAR.

Despite a difference of tactics as between the U.S.S.R. and the U.S.A. the fundamental Nazi strategy is the same.

The tactic toward the U.S.S.R. was rigid politeness, abundant good-will, the negotiation of something all the time—it did not matter what. Whilst the Nazis waited patiently, heavily armed on the eastern front, for the zero hour, they avoided all incidents and all abuse.

In the Nazi world radio warfare there was one strange area of dead silence. The Nazi radio kept absolute silence towards Moscow.

H. Duncan Hall, an Australian, was educated at Sydney University and Balliol College, Oxford. He is author of "The British Commonwealth of Nations" and has been a special writer for The Times, London, and The Manchester Guardian.

He was leader of the Australian delegation to the Institute of Pacific Relations, was professor of International Affairs at Syracuse University, 1926-27, and joint author with President Lawrence Lowell of Harvard of a publication on the British Commonwealth in 1927.

He then joined the League of Nations staff at Geneva where he remained until the outbreak of war. He was first responsible for building up world machinery for control over dangerous drugs and author of the league's chief books on this subject. Other League work included charge of the League radio station, and liaison between the League Secretariat and the British Dominions. Mr. Hall is now a visiting professor at Harvard University and is joint editor of a forthcoming Harvard book on the British Commonwealth at War. He is also preparing a book on the Anglo-American Nucleus of World Order.

He is currently in Canada doing a series of broadcasts for the CBC on Psychological War.

It broadcast to all parts of the world in all languages except in Russian to Moscow. The reason for these tactics was simple. Stalin was no head of a slow moving "government by discussion," but a dictator with a highly suspicious nature and a good gun in his pocket, and his fence and Hitler's ran together for a thousand miles.

The tactic toward the United States differs only to the degree that the conditions differ. The chief difference is that the U. S. A. is a democracy. There has been rigid official politeness though it wears thin. There is no negotiation, though Berlin would be delighted to negotiate on anything any time, if Washington could be brought to it. There is a most sedulous avoidance of all "incidents."

The most striking manifestation of this is the statement of Secretary Knox some days ago that German submarines and aircraft had mysteriously disappeared from the American sea-lane to Iceland. This silent Nazi action is entirely compatible with the constant charges, from Berlin, Rome and Tokyo, that Roosevelt is seeking an "incident" in order to plunge America into the shooting war. This is the psychological part of the Nazi warfare against America, made possible because America is a democracy, and the Nazis can play on the personalities and parties with a softening barrage of words and ideas in order to get Americans to turn against their leaders and slow down the speed of American armaments.

There is no mystery whatsoever about the nature of the tactics. Always somewhere in some area of their world-wide war of words, the Nazis indicate frankly their true objectives, because they must tell the truth in that area in order to achieve their grand strategy. They have told the truth in their broadcasts day and night for many months to England and the Middle East and Latin America.

A chief propaganda theme in these areas has been "American supplies won't arrive in time." And THAT IS EXACTLY THE GRAND STRATEGY, TO CONVINCE THE REST OF THE WORLD THAT AMERICA WON'T FIGHT.

The One-Vote Margin

How well it works is shown in the gift handed over to Goebbels by Congress, in passing the extension of the draft bill by one vote. This vote enabled him to counteract in his propaganda at home and abroad much of the effect of the Atlantic declaration that was to follow in a couple of days' time.

There is another weapon held poised and ready to strike in the Nazi psychological war: it is one of the most perfected and effective instruments in their armory of "secret weapons" for use in the dark war against the mind. They have used it repeatedly with deadly effect in the past. They are ready to use it again if and when they break through in Russia, or induce the Japanese to take the plunge. It is not the ruse of the peace offensive; the Atlantic Declaration has spiked that for the time being.

It is the weapon of THE WAVE OF PESSIMISM, threatening to rise into the tidal wave of panic. These recurrent waves of pessimism, bordering on panic, are one of the most interesting mental phenomena of the war. They have been especially clear in North America.

There was the wave of July, 1940, when Britain as given just 30 days longer.

There was the wave a few weeks later, when the Japanese began to take a few cautious steps southward, and immediately millions of people resigned themselves to the loss of Singapore and the Netherlands Indies.

Most striking of all was the wave that followed the fall of Crete. Suddenly, without reason, a wave of gloom swept North America. Syria, Egypt, Iraq, Gibraltar were surrendered, the Battle of the Atlantic lost, the Nazis and the Japanese on the point of winning the war.

Yet in this case we know exactly what happened and can see as clearly as if it were an experiment in a laboratory how the Nazi technique worked.

Big Confession Ready

To the Nazi General staff Crete was merely the securing of a safe flank to protect the Nazi army when it launched the attack on Russia for which they had been preparing for many months. All the fears of the fall of Egypt, Syria, Gibraltar and so forth were pure fantasy. The Nazi General Staff was on the point of revealing to the world the immense defeat it had suffered in its plans for a short war. Hitler was about to make his tremendous confession in his proclamation to the German people that British-Soviet cooperation had resulted in a "tying up of such powerful forces in the East that a radical conclusion of the war in the West, particularly as regards aircraft, could no longer be vouched for by the German High Command. "Particularly as regards aircraft" was significant; the Nazis were about to give England months of peace and quiet such as it had not known for a year.

This, then, was the solid reality behind the side show of Crete: the British Navy, the R.A.F., the strength of sea and air power in the Mediterranean, the gathering strength in the arsenals of democracy, and the cold implacable hostility of the Red Army on Hitler's flank.

Yet such was the skill of the German propaganda machine, and so favorable a soil did it have in the weak defensive mentality of the peoples of North America, that Goebbels almost turned light into darkness. The British and American intelligence services know exactly what happened and when it happened. They know the hour at which Goebbels' instructions in Berlin turned on across the Atlantic the full blast of German short wave propaganda, interlaid with instructions to German agents in the U.S.A. They watched the entry of rumor on the stage with the cue it has in the prologue of Shakespeare's play,

"Enter Rumor painted full of tongues . . .
Stuffing the ears of men with false reports."

They watched the victims or agents of rumor running round Washington with the story that John G. Winant had brought word by plane from London that Winston Churchill had thrown up the sponge and was asking for peace. President Roosevelt had to issue a stern denial and warning at his press conference. He had on his desk as he spoke two orders issued by Berlin to Nazi and Fascist agents in the United States instructing them to spread this rumor.

But despite this illuminating experience, the mental attitude of masses of men in this continent is such that they are in the greatest danger of falling again victims to this ruse. The present lighthearted and unreasonable optimism is itself a sign of the danger, just as great a danger as a wave of pessimism. In fact, a wave of undue optimism accentuates the succeeding wave of pessimism and so it serves Goebbels' purpose. The unreasonable crest of optimism that followed Wavell's local tactical success in Libya was prelude to the still less reasonable depression and even despair after the fall of Crete. If, taking advantage of this condition of mind, the Nazis succeed in raising up another great wave of pessimism to sweep the country, it will be a success as important as the winning of a great battle. And it may well be the chosen moment for the final Japanese entry into the war.

What can we do to diminish this danger? The answer is too complex to be given fully in the last words of this article; but some points can be set down.

A Vital Defense Weapon

A proper understanding of the Nazi technique of psychological war is itself an important measure of defense. Little has yet been done in the United States, and even less in Canada, to bring about such an understanding on the part of the masses of the people. A campaign of public education in this matter would be rewarded by a far clearer grasp of the whole character of this totalitarian war in its political, economic and strategical aspects. Instead of expecting easy victory, people would set themselves grimly to walk the "long and hard path" that Churchill and Roosevelt, in their letter to Stalin, see ahead of us all.

But what we need most of all is to get rid of our defensive mentality. Only by a new kind of morale, full of the offensive spirit, can we hope to win the war. The United States is trying to wage Hitler's type of political and diplomatic war without actual shooting. In a lesser degree Canada is doing the same. But this kind of war can only be won if you have two things: first, the will to shoot and, second, the necessary guns. OUR WILL TO FIGHT STILL LAGS BEHIND THE PRODUCTIVE CAPACITY OF OUR MACHINES. HOW TO BUILD UP THE OFFENSIVE SPIRIT IS OUR GREATEST PROBLEM.

An understanding of the solid elements of strength in our position that give good ground for the hope of victory will help. We have an economic machine fed by the resources of the world and the will power of free men as against the slowing down, ersatz fed machine of Germany. We have a morale based solidly on free will and free conscience against the synthetic morale of a people in a condition of partial hypnosis. Tired men and worn machines in Germany and Japan, and both armies in a difficult strategical position subject to blockade and wearing themselves down in the vast spaces of Russia and China.

But what we have not yet got is something so vitally important that its absence may lose us the war—and that is an understanding of the Nazi mentality.

We can see the German guns and planes and feel their bombs, but we have caught little more than a glimpse of the Nazi mind. We still suffer from the common and fatal habit of seeing, not others as they are, but ourselves in others.

The Nazis, the fanatics who are spearhead of the army and the party, and whom the people blindly follow and like to follow, are largely psychopaths who in our society are the gangsters and criminals. The outstanding quality of their mind is its amorality. They are brave, energetic, cruel, intelligent but these forces are without the control of conscience as we know it.

Whether a thing is right or wrong, true or false is irrelevant. What matters is whether an action brings results, leads to power. This is the gangster mentality.

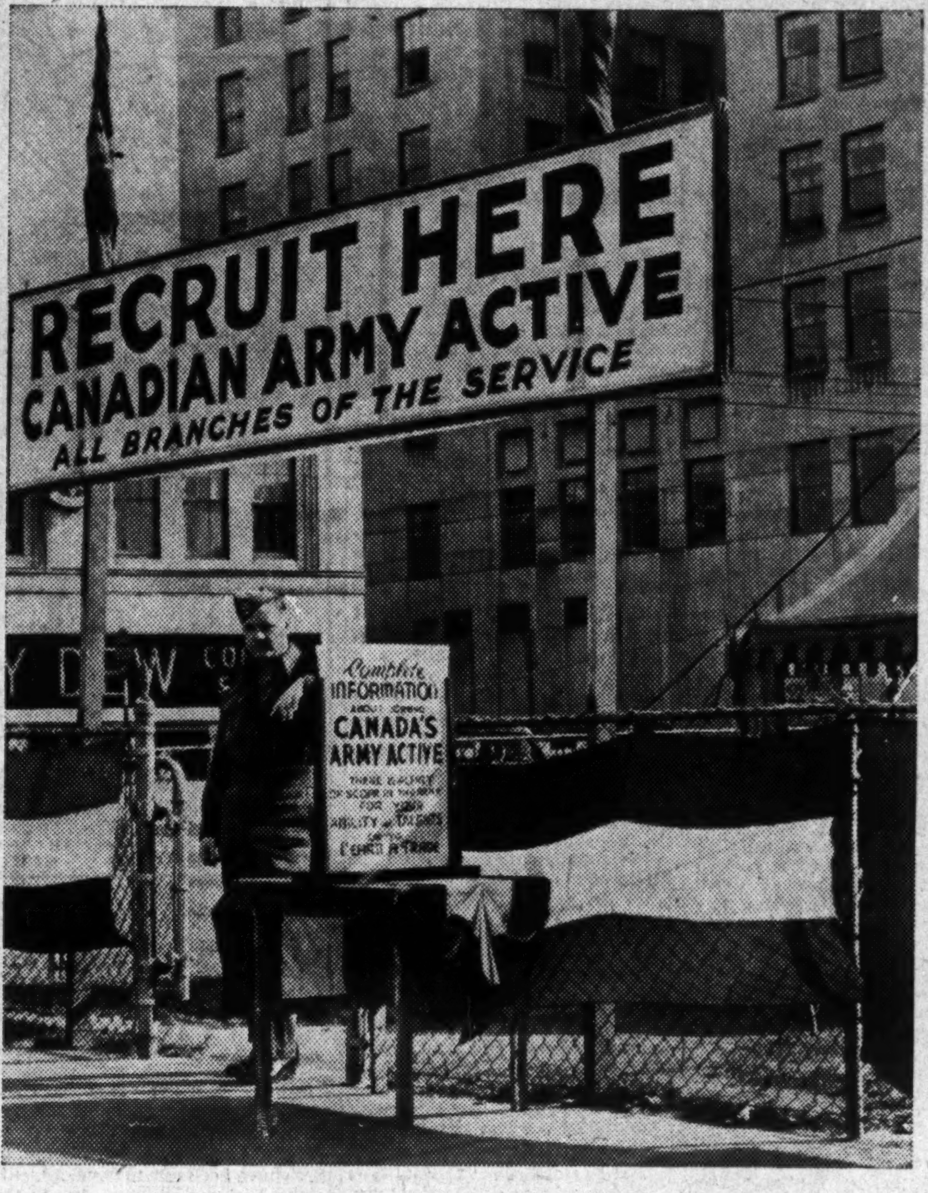
Truth Not An Argument

A gangster who wants to rob a jeweller's shop hurries to the door and tells the lady in charge that her small son has been run over down the street. She rushes out and he robs the shop.

But if you say to him that this was wrong or unfair, he is not interested. It was a ruse and it worked. In Germany a whole group of this gangster type is in power and they are armed, not only with guns, but a scientific knowledge of the working of the human mind which no tyranny in history has ever yet possessed.

This is why we face the prospect of a total tyranny—tyranny over mind and soul as well as of body.

But only when we have infused into our struggle the revolutionary spirit by which democracy won, in the overthrow of tyrants, its first right to live, can we win, for a further term, the right to live again. And that will only be when there is everywhere in the democracies the intense personal conviction that makes of every man and woman in England an indominable citadel. Only then will the people of this country and of the United States live as Churchill bade England live: "Arm yourselves and be ye men of valor, and be in readiness for the conflict, for it is better for us to perish in battle than to look upon the outrage of our altars . . ."



"Our will to fight still lags behind the productive capacity of our machines"

Insurance

Pleads For Lower Car Losses

B. C. Superintendent Garrett Discusses Policies

A challenge to the public to reduce automobile losses is given by H. G. Garrett, superintendent of insurance for British Columbia, in his annual report for 1940. Contrasting lower loss ratios in the fire branch with higher figures in the automobile department, he says it is time the latter showed the same improvement as the former.

Rates primarily depend on the claims to be paid, he declares, and cannot be generally reduced while the loss ratio rises. "Perhaps," he continues, "the section of the public which indulges in accidents will only learn proper caution when the automobile tends to become a luxury through the extra cost of driving and reduction in the household budget entailed by the war."

Factors instrumental in reducing fire losses he named included: better fire protection, more fire protection, improved building construction and more attention to the moral hazard.

Broadening of Policies

Revision of the standard automobile policy form and broadening of the coverage in the United States, he believes, may have some repercussions in Canada. The weakness of a standard form, he feels, is that it tends to conservatism and rigidity. "If the insurance business is to develop and progress, it must become more responsive to actual needs and convenience and move in the direction of more comprehensive protection," he says. "Multiplicity of policies and endorsements must be eliminated."

The field of public liability insurance, which has expanded enormously, he sees as leading the way in the inevitable evolution toward the comprehensive policy. Two trends which he finds conspicuous are:

1. The schedule type of policy which states specifically, in separate schedules, the several coverages combined in a separate document.

2. The type of policy which covers against all risks except those particularly mentioned.

Deductible Principle

He also expects a wider application of the deductible principle in insurance contracts. This type of contract has become familiar to the public in automobile insurance, especially in collision insurance, where the policyholder assumes responsibility for say the first $50 or $100 of damage, the insurance company accepting liability for claims above the stated figure. By this clause in a policy if an insured automobile owner has a collision in which the damage amounts to say $300, the owner would pay the first $50 or whatever amount is stated in the policy, the insurance company paying the excess.

Small Losses

The small loss, he declared, is uneconomical both to the insurer and the insured. The amount paid out on a small claim is not of much importance and may earn some cheap goodwill but the incidental costs of adjustment and settlement can be as large as for a big claim. The public, on the other hand, pays a high price for the small loss policy although it may often be able to afford the cost of the small loss and should be fully insured against real calamity.

By this it would appear, he believes, insurance should be used only to pay substantial losses not small ones that the policyholder can settle personally without any great hardship. This policy, he implies, would tend to lower the cost of insurance generally.

Ease Policy Rules to Aid Gas Saving

A number of Canadian automobile insurance companies, it is understood, have signified their intention to co-operate with the Oil Controller in his suggestions to save gasoline, as far as the insurance angle is concerned. Accordingly they state that where a policyholder, carrying passengers in his car, makes a charge for gasoline used, there will be no attempt made to collect an extra premium or to invalidate the policy. Persons driving to and from work have been urged to pool their cars, for this purpose, one car thus bringing four or five to work where formerly each individual used his own car.

Under the statutory conditions of the standard automobile policy, carrying passengers for hire in a private automobile is prohibited. Authority to do so can be obtained by paying an extra premium and having the policy so endorsed.

The companies concerned say they will not consider a nominal charge for gasoline as using the car for hire. As, however, company policy may vary, it is stated that an insured car owner would be wise to ascertain the attitude of his company before collecting any money from his friends to help defray the cost of the gasoline.

Insurance Notes

Sales of ordinary life insurance in the United States in July at $582 millions were 3% higher than in the same month of 1940. The total sales to the end of July at slightly over $4 billions were 4% higher than last year. The estimates have been based on the experience of 53 companies representing 81% of the total new ordinary life insurance in the United States.

* * *

Need of greater vigilance against fire in wartime especially is urged by the Canadian Underwriters Association of Montreal. The Association quotes Government statistics to show that Quebec province had the largest number of fires in any province in Canada in 1940. Out of 46,629 fires in Canada last year, 21,735 occurred in the province. The loss of property in the province was $7.6 millions. In order of importance, the Association quotes the five principal causes of fires as smokers' carelessness; fires caused by stoves, furnaces, boilers and smoke pipes; defective and overheated chimneys and flues, explosions etc; steam and hot water pipes; and electrical wiring and appliances. These causes were responsible for 62% of the total fires in Canada last year and 34% of the total property loss.

* * *

According to a survey of fire fighting apparatus in 57 Ontario municipalities, classed as vulnerable as far as Canada's war efforts are concerned, 43.04% of the 216 pieces of apparatus have been in use for 16 years or more. The survey was made for W. J. Scott, Fire Marshal of Ontario and included all large cities except Ottawa. In a pamphlet issued by Mr. Scott it is stated that 15 years is the generally accepted standard time for the reliable use of fire apparatus. The survey shows that the apparatus owned and used by these municipalities includes 107 pumpers, 56 hose trucks, 40 ladder trucks and 13 aerials. Seven pieces of apparatus unclassified as to age and utility were not included. In addition to the 43.04% rated below standard another 31.01% is approaching 15 years of age.

* * *

After 48 years with the North American Life Assurance Co., J. S. Wells has retired on pension. Mr. Wells for many years was treasurer of the company and since 1934 has been registrar. He was tendered a farewell luncheon at the head office and presented with a set of pipes and a humidor.

—Photo Blank-Stoller.

BANK DIRECTOR

Louis S. St. Laurent, K.C., of Quebec City, who has been elected a director of the Bank of Montreal. Mr. St. Laurent is a prominent Quebec lawyer and is a director of a number of Canadian corporations.

New Policies Sold Average $1,750

Compares With $1,703 in 1940 — Alberta Shows Highest Figure

With national income showing substantial increases from month to month over the previous year, Canadians and Newfoundlanders in recent months have been buying more life insurance. Not only have total sales been increasing but the average policy has been larger.

In the first six months ended with June, the average ordinary life policy sold in Canada and Newfoundland, exclusive of group business was $1,750 against $1,703 last year. The highest average was shown in Alberta at $1,850. Manitoba came next with an average policy of $1,841. Increases were seen in all provinces and Newfoundland except British Columbia and New Brunswick, where the average was lower.

The figures were compiled by the Life Insurance Research Bureau and are based on the experience of 19 companies. They do not include group insurance but ordinary insurance only.

Comparisons follow:

	Average New Policy Year 1940	1st 6 Mos. 1941
Canada & Nfld. total	$1,703	$1,750
Alberta	1,719	1,850
British Columbia	1,805	1,747
Manitoba	1,834	1,841
New Brunswick	1,557	1,547
Nova Scotia	1,536	1,643
Ontario	1,742	1,790
Prince Ed. Island	1,575	1,679
Quebec	1,647	1,693
Saskatchewan	1,667	1,739
Newfoundland	1,596	1,775

The WAWANESA Mutual Insurance Company
Organized in 1896
Assets $2,894,436.70
Surplus 1,513,855.65
Dominion Gov't Deposit 1,041,353.86
Write for Financial Statement
Head Office: Wawanesa, Man. Eastern Office: Toronto, Ont.
Branches at Vancouver, Edmonton, Saskatoon, Winnipeg, Montreal and Moncton
2,000 Agents Across Canada

FIDELITY Insurance Company of Canada TORONTO

The ADMIRAL BEATTY
Modern. Fireproof. Well-appointed. Garage adjacent. 250 rooms from $2 single, $3 double. Cafeteria.
E. R. SWEENEY, Mgr.
SAINT JOHN NEW BRUNSWICK, CANADA

EXPERIENCED TRAVELLERS CARRY MONEY SAFELY
Canadian Pacific Express TRAVELLERS CHEQUES

NOTICE is hereby given that the Dominion Insurance Department has granted Certificates of Registry Nos. C760 to C764 both inclusive authorizing New York Reciprocal Underwriters, Individual Underwriters, American Exchange Underwriters, Affiliated Underwriters and Metropolitan Inter-Insurers to transact in Canada the business of Personal Property Insurance, in addition to the classes for which they are now already registered.

V. W. GERRISH,
Chief Agent for Canada.

July 21, 1941.

Company Reports

Muirheads Cafeterias

Muirheads Cafeterias, Ltd., Toronto, reports sales for the year ended Feb. 28, 1941, somewhat lower than in the previous year which, in turn, was below 1939. This reflects the "unstable situation which existed in the restaurant industry at that time," states H. A. Greene, president. The company reports a net loss, without allowing for depreciation, of $8,204 for the latest period compared with $8,593 for the year ended Feb. 29, 1940.

Mr. Greene reports that "since the periods covered by this report, sales and earnings have improved substantially and the outlook for the balance of the year is quite encouraging."

Balance sheet as at Feb. 29 last shows bank overdraft of $2,673 where none had been shown a year earlier. Cash has been reduced from $11,156 to $1,600. Dividends on the cumulative 7½% preference stock are in arrears from July 1, 1932.

Income and Deficit Account Years Ended

	Feb. 28, 1941 $	Feb. 29, 1940 $
Sales	285,811	300,204
Less: Cost of sales	294,015	308,797
Loss for year	8,204	8,593
Add: Prev. deficit	100,776	96,246
Less: Reval. invest.	660	1,373
Misc. adjustments	173	2,689
Deficit forward	108,147	100,776
Working Capital	$	$
Current assets	26,676	33,867
Current liabilities	20,996	19,720
Working capital	5,680	14,147

Georgia Hotel Co.

Georgia Hotel Co., which owns the Georgia Hotel in Vancouver, reports record revenues for the year ended May 31, 1941. The hotel is operated under lease by Pacific Western Hotels Ltd. Minimum rental is $72,000 annually and the operating company pays the Georgia Hotel Co. a percentage of net cash income which last year amounted to $31,906.

Funded debt of Georgia Hotel Co. amounts to $1,024,400, a reduction of $25,000 from a year ago. Amount due Dredging Contractors Ltd. is shown at $64,695, a reduction from $69,280 at May 31, 1940.

Income and Deficit Account Years Ended May 31

	1941 $	1940 $
Revenue: Minimum rental	72,000	72,000
Additional rental*	31,906	19,601
Total revenue	103,906	91,601
Less: Gen. exp. & int.	9,615	9,838
Net income	94,291	81,763
Less: Depreciation	47,774	48,796
Bond interest	62,004	63,624
Exchange	10,065	6,802
U. S. taxes	1,236	636
Prov. inc. tax	3,013	4,482
Net loss for year	29,800	42,577
Add: Prev. deficit	641,482	598,905
Deficit forward	671,282	641,482

*Additional rental based on net cash income.

Working Capital

	$	$
Current assets	67,969	65,370
Current liabilities	144,916	149,112
Excess of curr. liabs.	76,947	83,742

Western Steel Products

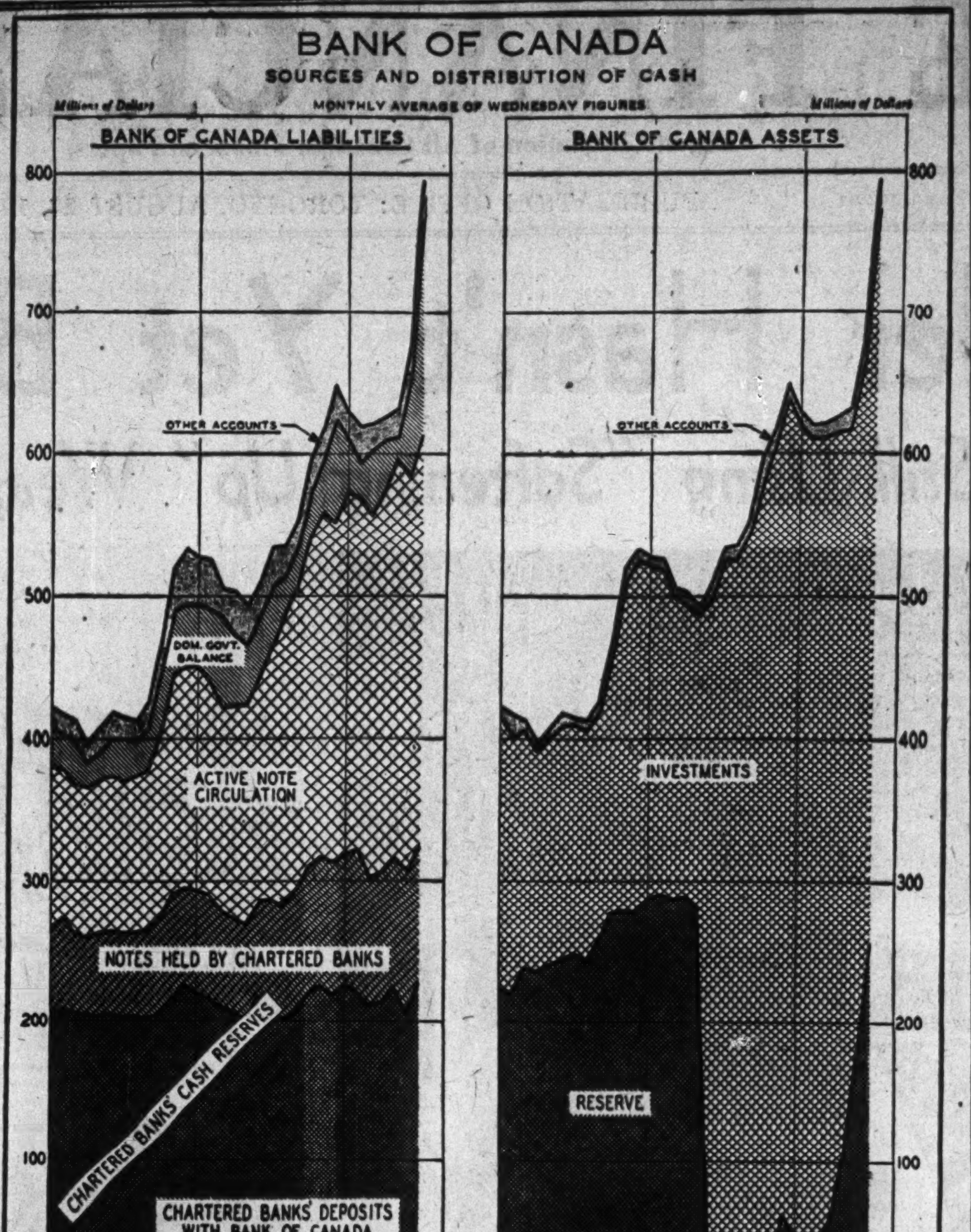
Western Steel Products Corp. reports invoiced sales for the six months ended June 30 this year, 78% higher than in the same period last year. It is stated that the "already heavy volume of war supplies handled by all divisions of Western Steel Products Corp. has been increased steadily during the first six months of 1941 and business now on hand is sufficient to ensure satisfactory operations during the last half of the year."

Net profits for the first half of 1941 are equivalent to $1.08 a share on the 117,983 common shares compared with 37 cents a share for the same half of 1940.

Final determination of the company's standard profits has not yet been settled and the question of 1941 provincial taxes is still obscure, it is stated. Last year the company's provision for income taxes amounted to 73% of its net operating profit and the estimated figures given below include an estimate of taxes applicable to the periods under review.

Profit and Loss Account Six Months Ended June 30

	1941 $	1940 $
Gross profit	817,854	413,716
Add: Sundry income	11,389	10,858
Gross earnings	829,243	424,574
Less: Expenses	224,620	[illegible]
Depreciation	101,784	[illegible]
Bond interest	[illegible]	[illegible]
Est. inc. taxes	345,500	110,000
Net profit	137,754	43,968



—Bank of Canada chart.

War and the Bank of Canada

Drastic Changes Effected By New Situation

In the almost two years that Canada has been at war, great changes have taken place in the Bank of Canada's balance sheet. Some of these have been due to developments in the business situation due to the war. Others have been caused by measures adopted as part of the war policy of the Government especially in connection with foreign exchange control.

Outstanding among these changes is the expansion in total assets. These have increased from a little over $400 millions in June 1939 to almost $800 millions in June 1941. This rise in assets has accompanied the increase in business activity caused by the war with its expansion in credit and financial operations generally.

The greater part of the increase has occurred since May 1940. As shown by the accompanying chart there was a great change in the nature of the assets at that time. Under the Foreign Exchange Acquisition order and other war measures, the Bank of Canada sold to the Foreign Exchange Control Board, its holdings of gold and the bulk of its sterling and United States exchange. These two items constituted the Bank of Canada's reserve at that time. The gold handed over to the Foreign Exchange Control Board amounted to $225.8 millions while the exchange transferred was approximately $27.7 millions. The gold and exchange thus transferred was replaced in the assets of the bank by $250 millions Dominion of Canada securities, purchased from the Foreign Exchange Control Board. Accordingly as the chart shows, investments in the Dominion Government bonds have been by far the largest part of the bank's assets since that time.

Rise in Exchange Holdings

Between February and June this year as the chart also shows, holdings of sterling and United States exchange increased sharply, rising to over $250 millions. This was due to purchases of sterling from the Foreign Exchange Control Board. This sterling originally was accepted by the Board in exchange for Canadian dollars supplied to the British Government under an arrangement whereby Canada was to provide Great Britain with Canadian currency for war expenditures. As the Board's supply of Canadian dollars dwindled, however, it was not able to supply the British demand. Consequently it had to sell sterling to the Bank of Canada for the needed Canadian dollars, on the understanding it would buy it back when the funds became available. The Dominion Government war loan in June gave the Government enough money to enable the Board to do this. Accordingly there followed a substantial decline in the exchange holdings of the bank with corresponding declines in the total assets offset by a reduction in Dominion Government deposits with the bank.

On the liability side, the principal change has been the rise in the note circulation of the Bank. This was due to a number of reasons:

The increased business activity meant a greater demand for cash.

Many people who previously had had no job were drawing regular wages which were in many cases paid in cash.

Thousands of men enlisted in the armed services are being paid in cash regularly.

Since the advent of exchange control, United States currency has been taken out of circulation in Canada. This, amounting to many thousands of dollars had to be replaced by Canadian currency. Accordingly the total volume of Bank of Canada notes has increased from $179 millions to around $412.6 millions at the end of June.

Bank of Canada Assets Lower

Deposits by Chartered Banks and Miscellaneous Deposits Down — Note Circulation Rises

A decline of about $14 millions in total assets is shown in the statement of the Bank of Canada for the week ended Aug. 13. The drop was due mainly to a reduction in miscellaneous assets, which includes cheques on other banks not yet cleared.

This reduction in assets was offset on the liability side by decreases in deposits, especially deposits by the chartered banks and miscellaneous deposits. This decline probably reflected in part withdrawals by allied governments for war purposes. The decline in chartered bank deposits probably reflected reduction in public deposits with the chartered banks for income tax payments and war bond purchases. As the public withdrew deposits from the chartered banks on this account, the banks reduced their reserves with the Bank of Canada.

Note circulation rose $2.3 millions further to $412.6 millions.

	Aug. 13 1941 $	Aug. 6 1941 $
Liabilities		
Capital paid-up	5,000,000	5,000,000
Notes in circ.	412,692,123	410,344,993
Rest fund	3,722,910	3,722,910
Depcs.: Dominion	23,748,756	24,780,755
Banks	207,384,064	216,599,284
Other	4,084,094	10,251,437
Total deposits	235,216,914	251,631,476
All other liabs.	8,089,639	7,961,801
Total liabs.	664,721,586	678,660,980
Assets		
In sterling & U. S.	444,809	471,509
Subsid. coin	607,068	579,204
Advances	2,000,000	2,500,000
Investments:		
Dom. govt. short	509,897,738	509,381,732
Other Dom. govt.	139,805,543	139,090,902
Total invest.	649,703,281	648,472,634
Premises	1,813,154	1,812,764
All other assets	10,153,276	24,824,869
	664,721,586	678,660,980

RE-ELECTED PRESIDENT

G. M. Barrymorton, Manufacturers Life Co., has been re-elected president of the Life Underwriters Association of Montreal. Other officers are:

RENE PELLETIER, first vice-president.
A. H. LAMBERT, second vice-president.
CHARLES F. HOLMES, secretary-treasurer.

Gold Receipts at Mint Reach Record Level

Gold receipts at the Canadian mint during the first seven months of this year amounted to 2,983,063 ozs., higher than in any other similar period in the history of the mint. This represented an increase of 4.8 per cent over the 2,846,800 ozs. received during the same period of 1940 and a gain received during the same period of 1938.

Receipts during the month of July shattered all previous records. They amounted to 453,184 ozs. as compared with 401,186 ozs. in the same month last year and 383,635 ozs. in July, 1939. The average for July during the five years previous to the war was 287,913 ozs.

Ontario supplied 278,598 ozs. in July which constituted 61.5 per cent of the total. Quebec was second with 107,697 ozs. or 23.8 per cent, while British Columbia occupied third place with 31,694 ozs. or seven per cent.

Staff Changes

The Royal Bank of Canada announces the following staff changes:

W. A. RENNISON, to be manager, Steveston, B.C.
K. C. YORK, manager, Steveston, B.C., to be manager, Cumberland, B.C.
J. A. STRONACH, head office, to be accountant, Beaver Hall, Montreal.
C. REID, manager, Cumberland, B.C., retires on pension.
W. H. DAVISON, supervisor's department, Halifax, to be manager, Bathurst, N.B.
J. H. FLETCHER, manager, Bloor & Bathurst, Toronto, to be manager, London East, Ont.
J. R. HARRIS, assistant manager, London, Ont., to be manager, Oshawa, Ont.
A. A. HUTCHISON, manager, Oshawa, Ont., to be manager, Pape & Danforth Avenues, Toronto.
W. J. KELLEY, manager, London East, Ont., to be manager, Steelton, Sault Ste. Marie, Ont.
F. H. EATON, manager, Bathurst, N.B., retires on pension.

* * *

The Bank of Nova Scotia announces the following staff changes:

L. B. KERR, to be assistant manager, St. Catherine St., Montreal.
H. L. CUMMING, to be accountant, Ottawa.
G. C. WEBSTER, to be accountant, New York agency.
L. A. HANNAH, to be accountant, Davie & Granville Streets, Vancouver, B.C.
H. E. BOYLES, to be accountant, Barrie, Ont.
G. J. TOUCHIE, to be accountant, Antigonish, N.S.

Weekly Bank Clearings

	Aug. 14 1941 $	Change Year Ago %	Aug. 7 1941 $
Halifax	3,369,980	+4.7	3,675,700
Saint John	1,985,611	+8.2	2,338,764
Moncton	891,715	+16.5	1,070,903
Quebec	4,744,878	+0.1	5,979,326
Montreal	105,492,412	+24.8	128,675,122
Ottawa	36,076,268	+80.3	64,988,879
Kingston	729,087	+26.5	741,090
Sherbrooke	801,855	—11.0	1,047,069
Peterborough	807,570	+30.1	762,527
Toronto	111,217,022	+28.3	114,325,799
Hamilton	6,405,143	+30.2	6,566,819
St. Catharines	1,239,957	.....	....
Kitchener	1,130,546	+20.6	1,192,097
Brantford	923,158	+22.1	995,546
London	2,890,287	+24.9	3,072,001
Chatham	634,218	+14.6	578,546
Windsor	3,441,311	+39.4	3,057,858
Sarnia	497,684	+28.7	304,035
Sudbury	1,203,668	+8.0	1,035,307
Fort William	1,192,726	+53.1	1,063,192
Winnipeg	47,941,880	+93.8	52,187,887
Brandon	387,860	+72.9	453,766
Regina	3,955,178	+38.6	5,551,137
Moose Jaw	545,922	+14.7	616,964
Saskatoon	1,316,701	+13.9	1,880,862
Prince Albert	407,160	+44.1	....
Edmonton	4,980,340	+30.3	4,998,630
Calgary	6,439,972	+37.7	6,388,684
Lethbridge	544,587	+40.8	618,763
Medicine Hat	374,883	+91.5	364,940
N. W'minster	893,089	+22.9	974,890
Vancouver	16,672,845	+5.4	21,220,847
Victoria	1,660,793	—1.8	2,159,230

IN MONTREAL... The Windsor ON DOMINION SQUARE

Over 16% Gain In Life Sales

Fifth Successive Increase Shown for Canada and Newfoundland

For the fifth successive month this year, sales of life insurance in Canada and Newfoundland in July showed an increase over the same month of the previous year. Total sales at $32.6 millions were 16.1% higher than for the same period of 1940.

Increases were shown in all provinces as well as Newfoundland where the largest gain, 146% was registered. Among the Canadian provinces Alberta had the largest increase at 38.4%. Ontario sales were 11.8% higher and Quebec was up 8.8%.

The figures are for new, settled-for, ordinary insurance exclusive of increases, revivals, dividend additions, group and wholesale insurance, annuities, etc. They are based on the experience of 18 companies representing 5% of the new ordinary life insurance in Canada and Newfoundland. The information has been supplied by the Life Insurance Research Bureau.

Total sales for the first seven months of 1941 at $231.4 millions are 7% higher than in the year previous.

Comparative figures by months and provinces follow:

Life Insurance Sales in Canada and Newfoundland (000's of $)

	July 1941	July 1940	Change %
Alberta	1,422	1,027	+38.4
British Columbia	2,366	1,851	+27.8
Manitoba	1,888	1,695	+11.4
New Brunswick	868	731	+18.7
Nova Scotia	1,411	1,256	+12.0
Ontario	14,206	12,169	+11.8
Prince Ed. Island	251	194	+29.4
Quebec	8,556	7,861	+8.8
Saskatchewan	1,231	1,179	+4.4
Newfoundland	482	196	+145.9
	32,681	28,159	+16.1

Sales by Months, 1938-1941 (000's of $)

	1938	1939	1940	1941
Jan.	31,387	28,767	33,736	28,326
Feb.	31,796	29,202	31,820	31,500
Mar.	33,461	31,710	30,265	33,700
Apr.	30,612	26,357	32,248	35,398
May	31,016	30,123	31,779	36,172
June	35,660	32,226	28,530	33,670
July	30,635	20,902	28,159	32,681
Aug.	28,446	26,494	24,693	.....
Sept.	27,928	34,262	26,156	.....
Oct.	32,372	31,900	31,210	.....
Nov.	37,167	33,034	32,899	.....
Dec.	36,475	34,759	33,727	.....
Totals	386,855	368,726	365,217	.....

Before you insure... consult Confederation Life Association

Envelopes for every purpose Barber-Ellis of Canada, Limited TORONTO BRANTFORD BRANCHES FROM COAST TO COAST

Fire Insurance and Allied Lines
AGENCY INQUIRIES INVITED
NATIONAL RETAILERS MUTUAL INSURANCE COMPANY

Ask Your Agent for this Protection
Personal Property is subject to many hazards which are not covered under the ordinary fire and burglary policies. You can, however, fully protect your property with a
PERSONAL PROPERTY FLOATER
This policy covers against fire, theft, loss, breakage, and other imaginable hazard and under any circumstances. Why not ask your agent for particulars.
WELLINGTON FIRE INSURANCE COMPANY
14-24 Toronto St., Toronto, Ont.

Banking Service 1817-1941
BANK of NEW SOUTH WALES
Head Office: Sydney, Australia
General Manager: SIR ALFRED DAVIDSON, K.B.E.
Assets of £143 millions. Over 870 branches in Australia, New Zealand & Pacific Islands.
London Offices at 29 Threadneedle St., E.C.2. and at 47 Berkeley Square, W.1.
Agency arrangements with Banks throughout Canada.

BUY WAR SAVINGS CERTIFICATES
SAFETY VAULTS for WAR LOAN Securities
Interim Certificates as well as Bonds should be securely locked away.
A Safety Deposit Box at any branch office of Imperial Bank gives you the security of the Bank's vaults at trifling cost. A small box can be rented for less than a cent a day.
IMPERIAL BANK OF CANADA
Head Office: Toronto
BRANCHES THROUGHOUT CANADA

Your Investments

What We Do:

1. Give information on Canadian securities to Financial Post subscribers.
2. Publish anonymously letters of general interest.
3. Supply facts rather than opinions.

What We Don't Do:

1. Answer enquiries of non-subscribers.
2. Answer enquiries on foreign securities.
3. Reply by telephone or telegraph.
4. Select list of securities; express opinions; or make forecasts.

Three-cent stamp and address label from subscriber's copy of The Financial Post must be enclosed. Address letters to The Financial Post, 481 University Ave., Toronto 2.

Imperial Oil

What is Imperial Oil's current position and has the company an interest in crude oil production?

Imperial Oil Ltd. is Canada's leading operator in the petroleum industry. It has the largest single stake in the production of crude oil in Canada, is Canada's largest refiner and distributor of petroleum products, and has control of International Petroleum Co., which in turn is a large producer of crude oil in three different South American countries. Current income on the shares of Imperial Oil Ltd. is attractive, even allowing for the reduced dividend rate now in force. Currently the company is paying 50c. a share, following a considerable period when a portion of its large dividends should have been regarded by investors as a return of capital which could no longer be profitably employed in the business. This period is now at an end and dividends are apparently going to correspond much more closely with actual earnings which amounted to 65.4 cents a share last year.

Currently there is a prospect that consumption of gasoline for civilian use in Canada will be forcibly reduced. While this would not be favorable for a company like Imperial Oil, it must be remembered that this company enjoys its greatest prosperity during peacetime and, as a consequence, could be expected to suffer relatively little following the end of the war.

Canada Steamship

Having been a reader of your paper for some years, I would like to have your views on the prospects for future dividends of Canada Steamship's preferred stock.

Canada Steamship Lines position is greatly improved over what it was a few years ago. As a result of the reorganization, the debt charges were reduced to a point where the company should have no difficuluty in carrying them. The reduction of about 50% in interest charges greatly strengthened the position of the capital stock. In addition to these internal changes, the pickup in business from 1938 on, and especially since the war started, has greatly improved the company's earning power.

Last year earnings on the preference stock amounted to $4.17 a share, as against $1.21 a share the year before. Under the terms of the 1936 reorganization dividends on the *preferred* are only payable if *earned* between 1937 and 1942, *after* which date they are accumulative.

As a result of the showing made last year, the company paid the full 5% dividend. Indications are that for the current year earnings will be sufficient to maintain this rate of dividend. The future prospects of the company are encouraging. With the economies effected and improvement in physical properties, the company should be in a good position after the war to establish earning power on a basis which will permit regular dividends on the preferred stock.

Canadian Vickers

How do you regard Canadian Vickers 6% bonds? I would like to know what you think of the future prospects of this company.

Canadian Vickers' position has undergone a marked change as a result of war conditions. All facilities of the company are now fully utilized and earnings are substantially higher. There is little doubt but under peacetime conditions the company is in need of a capital reorganization.

It is just possible, however, that under war conditions the company can strengthen its financial position to such a point that the necessity for this reorganization may be avoided. As a short term investment, the company's 6% bonds are not without attraction but they cannot be regarded as other than speculative if considered as a long-term investment.

Gatineau Power

I hold 10 shares of Gatineau Power Co. preferred stock which cost me over 90. In view of the decline in the market value of the security, I would like to have your opinion of the merits of the preferred stock.

Gatineau Power Co.'s gross income has shown but little increase in the last two years. Its net profits, on the other hand, have been adversely affected by the sharp increase in taxation, with the result earnings available for distribution on the capital stock have declined. In view of the fact that the company's power output is fully sold, most of it under long-term contract, prospects for a rise in revenues are not overly encouraging. On the other hand, there is no indication of a decline in taxes, rather the prospect is for an increase.

In so far as the preferred stock is concerned, we are of the opinion that it constitutes a satisfactory investment medium. While it is possible that dividends on the common stock may be reduced the dividend on the preferred appears to be assured. In 1939 the preferred earned $15.82 a share as against dividend requirements of $5. In 1940 earnings on the preferred dropped to $13.77. In the first quarter of 1941 earnings on the preferred totalled $2.82, or at an annual rate of better than $11 a share, which is twice the amount required for the preferred dividends.

Standard Reliance

Is Standard Reliance Assets bankrupt? What is the likelihood of a payment to shareholders?

Standard Reliance Assets Ltd. was formed to permit orderly illiquidation of assets of Standard Reliance Mortgage Corp. which became bankrupt in 1919. Originally the bankrupt concern owed about $5.4 millions and the bulk of its assets was Toronto real estate and claims against and in the outskirts of Toronto.

Preferred stock in the new company was issued to debenture holders of the old and deposited with the old company for the amount of their claims.

The preferred shareholders of the recent company have received 70% of their original claims. Another report covering the three years ending Dec. 31 last is in course of preparation and should be sent to shareholders of Standard Reliance Assets soon. It is understood that this will show a considerable value remaining and that preferred shareholders might get perhaps 15% further payments on their claims, making a total of 85% in all. Just when this will come, however, cannot be said and there is immediate likelihood of a payment.

Consolidated Paper

Would you please advise me as to what you think about holding common stock of Consolidated Paper Corp.?

Consolidated Paper Corp.'s common stock is not without attraction, though there are no indications of near term dividends. Over the last several years, the company has greatly strengthened its financial position, converting a heavy excess of current liabilities over current assets into a net working capital of better than $10 millions. In addition it has reduced its bonded debt and generally the company is in a much stronger position. As a result of these betterments, the equity and earnings back of the common stock have improved. The long term outlook for the company is somewhat difficult to determine. Just now the company is favored by the excess profits tax rulings, both on account of its relatively heavy funded debt and because the newsprint industry has been classed as a "depressed" industry and thus entitled to special consideration.'

Page-Hersey Tubes

What is the earnings and current operating position of Page-Hersey Tubes?

Page-Hersey Tubes, Ltd., is engaged in the production of pipes and tubing for practically every industrial purpose. Last year an all time high in business transacted was achieved with both domestic and export sales showing a large increase over 1939. Company's plants are also engaged in the manufacture of materials directly required for war purposes. Earnings record of Page-Hersey Tubes has been relatively more favorable than most companies in the iron and steel business. Last year it earned $5.41 a share on its common and paid $5. This marked a reduction from the previous year's record, chiefly due to much higher taxes. All departments are running at capacity and new production records are being established at the beginning of this month.

Moore Corp. Preferred

What is the investment position of Moore Corp. Class A preferred?

Moore Corp. is a holding company with subsidiaries in Canada and the United States, engaged in the manufacture of business forms, packaging and advertising display products. About 90% of the company's total business is in the United States where it is a leader in its field. Last year shipments and profits were the largest in the company's history and as a result earnings on the class A preferred amounted to $56.29 a share compared with $47.10 a share in 1939. This stock must be ranked as a high class preferred stock in a company with an excellent record of earnings and strong financial position. This company's business volume moves directly in relationship to changes in general in business activity and it can thus be expected that it is participating in current boom conditions in the United States. The class A preference stock of Moore Corp. is convertible at any time into common shares on the basis of 4 for 1 preferred and is non-callable.

INSURE YOUR LIFE'S WORK

The administration of an estate requires more than willingness to undertake responsibility. It requires expert handling by men trained in such matters.

Make sure that your estate will be handled by fully qualified, experienced executors by appointing a reliable trust company of long standing.

Appoint This Company Your Executor

MONTREAL TRUST COMPANY

Montreal Trust Building

61 Yonge Street Toronto

J. F. HOBKIRK, Manager

What Do You Think of "Union Now"?

Here, Briefly, Is the Plan, Things For It and Against

A common remark in recent years is "the Allies won the last war hands down but lost the peace." Strong today is the determination that no such mistake will be repeated this time.

Most sensational and most complete plan yet advanced for organization of the world that is to follow peace is one whose name most people have heard but whose details are much less known. This plan is that evolved by Clarence Streit, author of the best seller "Union Now." This book forms the basis for a movement which has culminated in Federal Union, a non-profit association with headquarters in New York City and supported by many men and women of international renown.

Some time ago, The Financial Post asked the founder of this movement, Mr. Streit for an outline of his plan, as revised to fit the new picture of world conditions and the post-war adjustment to follow. The first part of this article presents briefly the Streit side of the case.

The second presents the opposition point of view as expressed by Lionel Gelber, former Canadian Rhodes Scholar, now author and lecturer, together with a summary of main American objections.

Here are the aims of sponsors of the Streit plan:

Bring about immediate federal union of the British Empire and the United States to form the nucleus of a world democracy.

Later and as freed from German domination, other former European democratic countries would be admitted and finally perhaps Germany and Italy too, after purged of present leaders.

Immediate union of the United States, Great Britain, Canada, South Africa, Australia and New Zealand, would produce a state numbering 200 millions, controlling approximately three-quarters of the world's natural resources and well over half of its industrial production.

Government would be modelled on the present American pattern with a House of Representatives and a check rein senate. To the first would be elected approximately 400 representatives, one member for each half million population. To protect smaller countries, two senators would be allowed for each 25 millions of population or fraction thereof in each co-operating unit. Thus the British Empire with a scattered population of 70 millions would have control in the Senate, the United States control in the house.

Government of the new Union would have the following strictly limited powers.

1. To declare war and to negotiate peace for all member states as a unit.
2. Conduct foreign affairs and Union armed forces.
3. Establishment and control over a single, gold based currency.
4. Establishment of a single postal communications system.
5. Control over commerce within the union on a basis of union free trade and over foreign commerce.

THE PRO'S

The following are the main arguments for the Streit plan as outlined for The Post by a Clarence Streit assistant, Patrick Welch.

Much of the present trouble in the world traces to a system of narrow and outdated nationalism. We must face the unalterable fact that the technological processing of industry has become planetary, while politics have remained national. Nationalism too often acts as a brake upon the operation of the wealth creating process. Since the last war many democratic countries have made frantic efforts to become self-sufficient or to protect standards of living which have no prior rights to protection. In this they have so interfered in the free operation of wealth-creating endeavor as to have actually hampered it, then brought about its collapse.

The Streit plan, by providing for complete free trade within the proposed union, at one blow removes many of these barriers which our governments have set up. Naturally, it follows that some cushion for the shock resulting from such a development must be provided, but the principle itself (free trade) must be established and carried through.

It is now a well established part of the theory of wealth-creating by modern methods, that along with technical production must go hand in hand an available and commensurate group of potential customers. The Union of the six units of the British Commonwealth and the United States alone would provide a consumer basis of over 200 millions of free, self-respecting citizens all of roughly the same standard of living, all of roughly similar consuming power. These people are vastly greater economic assets as a single commerce group than they are if separated by artificial natural controls of dubious political value and certain economic stupidity. Gathered together as a great economic unit, these people alone can create wealth at a rate greater than the world has ever before known. These 200 millions with a backlog of some 400 millions more in India and other dependencies of the proposed union, can of themselves, provide an infinitely greater economic base from which to approach the problems of total reconstruction than any available to the very same people under any other political structure.

Other arguments being advanced to support the Streit plan point out that free trade throughout the new confederation could open to immediate American exploitation such raw materials as Canadian nickel, Australian wool, Malayan rubber. Tariff-free and therefore substantially cheaper American raw materials and mass produced manufactures would be open to the British. The present vast accumulation of American gold would be free to develop the great resources of the British Empire. The American consumer would pay less for first class British woollens than domestic materials cost him now. Cars would be cheaper in the United States and still cheaper in parts of the British Empire because Detroit would have a larger market.

But sponsors of the union idea have no intention of throwing their new and vaster Empire open to imports from sweatshop competitors not in the federation.

An immediate union of the English speaking peoples, it is argued, would permit the democracies to fight unitedly without all the present cautious and time-consuming bargaining between London and Washington. There would be no argument as to who would get first call on American production, whose rights must be respected in convoys and blockades. Consummation of this idea, it is claimed, would confront Hitler with a new gigantic combination which might force immediate surrender and which would certainly hearten, perhaps to the point of active rebellion, the enslaved people of Norway, France, Czecho-Slovakia and Poland. Such a union, it is said, could offer an immediate peace based on no annexation and no indemnity.

THE CON'S

Lionel Gelber presents the Canadian views of those who do not believe that such a union as proposed by Streit would achieve the results claimed; American opinion condemns it as impracticable.

Plans like Union Now are an attempt to load Anglo - American friendship with more traffic than it can safely bear.

The legend of broken pledges with respect to Woodrow Wilson's Fourteen Points, weakened the resolve of the victor countries to defend the last peace settlement. The same fatal error about fixed terms in advance should not be committed again. If we are to avert heartbreak later, we must avoid illusion now.

Canadians who have not yet been able to work out a formula for tackling the national reconstruction proposed by the Rowell Sirois Commission must realize the immensely larger difficulties involved in any such scheme as Union Now.

American opposition to the Streit idea centres along three main lines.

It is claimed Hitler would not be scared by any loose union that might replace the present strong combination of United States and Great Britain. Even if successful it would not make any difference to the outcome of war since the same number of men and the same number of factories would be involved.

Secondly, they claim the difficulties of adopting free trade would be insurmountable.

Thirdly, they fear strained relations in regard to questions of politics, races and sovereignty.

Mr. Streit's analogy with the original union of the United States, it is claimed, is obsolete. The original 13 American colonies were entirely agricultural, entirely primitive and all had a common frontier defense problem. There were no highly industrialized units, no millions of people, no billions of wage rolls and investments, to be considered. There was practically no competitive industry.

Opponents maintain free trade would involve serious and probably fatal trouble. Australian and Canadian farmers with their lower cost of production might overwhelm American farmers. Mass production auto factories of Detroit might wipe out the automotive factories of Great Britain; Lancashire cottons or Indian steel might extinguish higher cost industries in the United States.

Even in the British Empire itself, it is pointed out all efforts to create free trade have been unsuccessful.

These opponents say the British are not likely to welcome any subordinate role, yet under the proposed arrangement they could be outvoted and presumably would lose control of one of their most prized possessions, the Royal Navy.

The question of political leadership is raised. Would, for instance, Roosevelt or Churchill be in supreme command and would pitting one against the other tend to improve the present friendly relations of the two countries.

Another embarrassing problem is the future of the so-called subject races. In the countries under both British and American control today it is pointed out, are hundreds of millions of people that are not white and not English-speaking. What political rights would they have in the new Union?

Practically nothing is said of a solution for Ireland, India and the Philippines, all special problems in themselves. If not included in the immediate Union vital defenses might be lost.

Harder, clearer and more practical thinking will be required, sums up U. S. opposition, before such a proposal as Union Now can take charge of the destinies of two great empires either during this war or the more difficult re-adjustment period which must follow.

WAR CALLS FOR THRIFT

When the government wartime programme calls for money, be prepared. Be in a position to write your cheque. Have a balance in your savings account constantly growing. Open an account with the Canada Permanent and make deposits regularly and systematically.

2% on Savings—Safety Deposit Boxes $3 and up —Mortgage Loans.

CANADA PERMANENT Mortgage Corporation

Head Office, 320 Bay St., Toronto

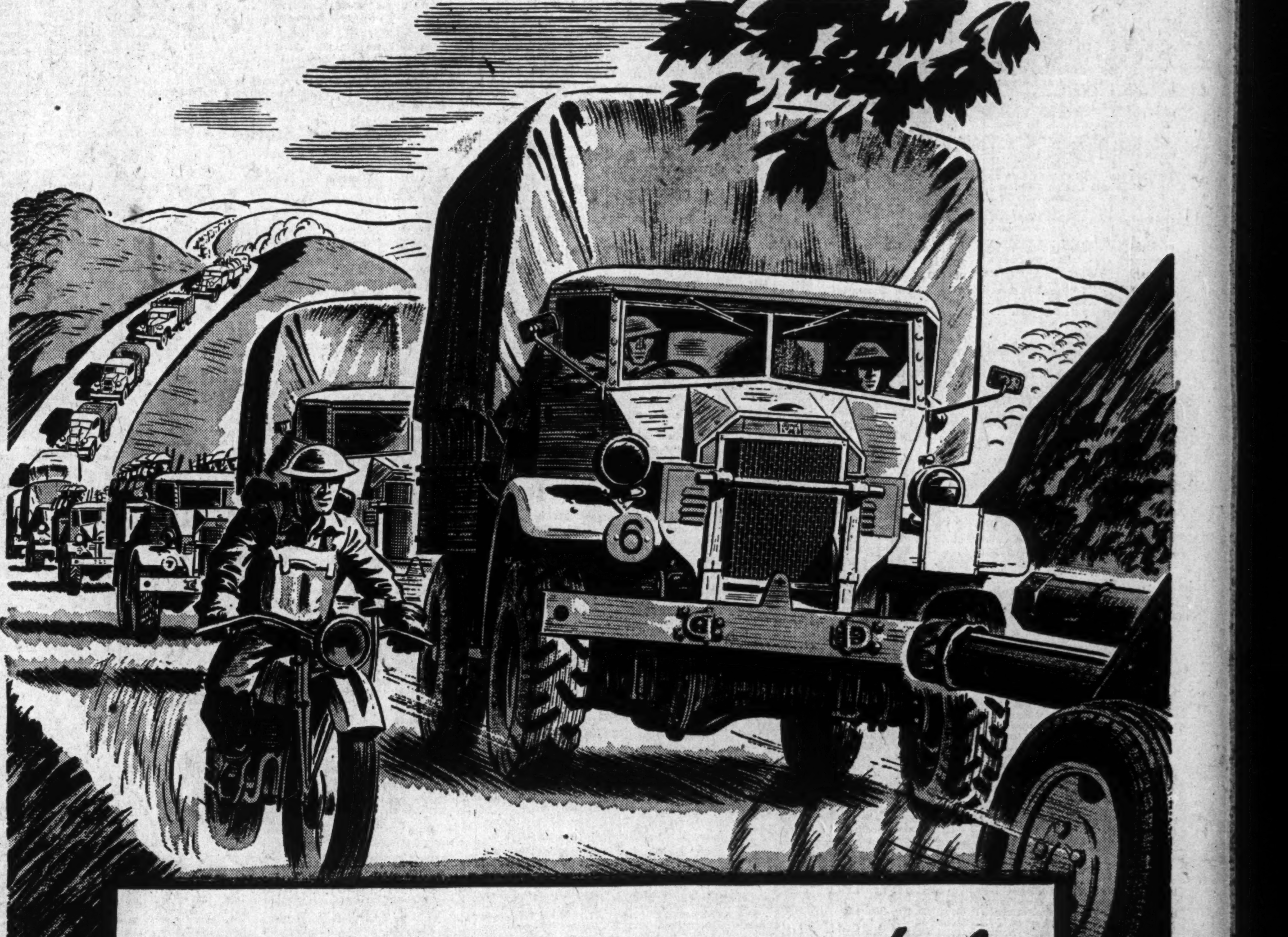
Assets Exceed $67,000,000.

The WESTERN SAVINGS and LOAN ASSOCIATION

HEAD OFFICE: WINNIPEG, MANITOBA

OFFICES:

Agency Building - - - - - Edmonton, Alta.
221 A 8th Ave. W. - - - - - Calgary, Alta.
McCallum-Hill Building - - - - - Regina, Sask.
411 Avenue Building - - - - - Saskatoon, Sask.



The Empire moves.. *on wheels!*

AN Empire column moves swiftly and surely in giant, space-eating strides. And Canadian-built vehicles in great numbers supply the speed, so vital in today's war of thundering machines and whirling wheels. Thousands upon thousands of modern fighting machines—artillery tractors, gun carriers, lorries, transport trucks, mobile workshops and other vehicles which make the motorized column a self-contained fighting unit—have rolled away from Canadian assembly lines to serve on Empire fronts.

Since war's outbreak, Ford of Canada workers have completed more than 90,000 military vehicles. The Canadian Ford plant is the British Empire's largest single source of mechanical transport. More than 75% of its entire capacity is now devoted to war production.

And so wheels are turning smoothly and swiftly at Windsor, Ontario, too—as all through the day and night, machines cut and grind and shape the chassis and the engines and the 'thousand-and-one' parts which make up a modern fighting machine. More than 13,000 Ford of Canada workers brace themselves to the task—each grimly aware of the pressing need for more and more of these motorized 'seven-league boots' for Empire fighting forces. These skilled Canadians are determined to build quickly and well—so that Canada shall contribute on an ever-increasing scale to the speed and stamina and fighting ability of Empire columns.

Into each Ford-built military vehicle goes the engineering knowledge and skill and experience gained by Ford of Canada in its 37 years of making motor cars and trucks for Canadians.

FORD MOTOR COMPANY OF CANADA, LIMITED

THE WEEK'S QUOTATIONS

Toronto and Montreal Exchanges

The following table is confined to official prices for listed stocks, including curb market quotations. Where no transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING AUGUST 18

Range 1941 High	Low	Div R'te $	Aug16 Y'ld %		Sales	Last Aug. 11	Week end. Aug. 18 H	L	Cl'se
				A					
.90	.50	*	...	Abitibi	750	.70	.75	.70	.75
8	4	*	...	Do. pref. 6%	465	6½	6½	5½	6
12½	8	*	...	Do. pref. 7%	5	10	10	10	10
3	1	.	...	Acme Glove	15	3	1½	1½	1½
60	50	6.50	13	Do. pref.	....	(— bid 60 asked)			
13	11½	80+20c	6	Agnew Surp.	10	13	13	13	13
108	105	7	...	Do. pref.	....	(108 bid — asked)			
1.50	.75	.	...	Alta. Pac. Gr.	15	1.00	1.00	1.00	1.00
30	24½	.	...	Do. pref.	25	24½	25½	25	25
10	7	.	...	Algoma Steel	325	9½	9½	9	9½
97½	84½	5	5.8	Do. pref.	20	85	86	86	86
115	98	8	7.9	Aluminium	135	102½	102	100	100
120	117	6	5.1	Do. pref.	10	117	118	118	118
7½	5½	25c	...	Amal. Electric	....	(5½ bid — asked)			
37	37	60c	1.6	Amer. Cyn. B.	....	(33 bid — asked)			

B

C

D, E

F, G

H, I

J, K, L

M

N, O

P, Q, R

S

T, U, V

W, Y, Z

Quotations: ‡ 1940. * 1939. § 1938.
* On account of arrears. ¶ Paid in 1940.
‡ Participating. † Paid or payable in 1941 to date.
§ Paid in 1941 to date after corporate income tax.

Mining Stocks

Week Ending August 18

Oil Stocks

Vancouver Stocks

Oil Quotations

Par Val.	Range 1941 High	Low	Company	Sales	Close Aug. 11 (or last)	High for week	Low for week	Close Aug. 18
1	.28	.18	Pacific Petroleums	200	.25	.20	.20	.20
No	.15	.05½	Royal Canadian	4,500	.05½	.06	.05½	.05½
No	*.10½	.06	Royal Crest	......	(.... bid .... asked)			
No	25.00	17.12	Royalite	......	(25.00 Aug. 8)			
No	.01½	.01½	South End	......	(.... bid .... asked)			
No	.25	.10	Southwest Pete	500	.15	.20	.20	.20
1	.05½	.02½	Spooner	......	(.... bid .... asked)			
25c.	.14	.10	Sunset Oil	......	(.09 bid .... asked)			
No	.04½	.03	United	......	(.04 bid .05 asked)			
No	.04½	.03	Vanalta	......	(.03½ bid .... asked)			
1	.38½	.20	Vulcan	......	(.... bid .35 asked)			

*Quotations for 1940.

Winnipeg Stocks

(Transactions from Aug. 9 to Aug. 16)

	Sales	High for period	Low for period	Clos Aug. 16
Central Manitoba	1,200	.02½	.02½	.02½
Dominion Envelope, com.	5	8.00	8.00	8.00
Federal Grain, pref.	5	30.50	30.50	30.50
Great-West Life	3	190.00	190.00	190.00
Monarch Life	25	34.50	34.50	34.50
Sachigo River	100	3.50	3.50	3.50
United Grain Growers	1	9.00	9.00	9.00
Western Steel Prod.	175	7.00	7.00	7.00
Wingold	2,600	.08¾	.08½	.08¾

Stocks Not Traded in During Week*

	Bid	Asked		Bid	Asked
Beaver Fire	75	..	Nor. Can. Mtg. p.	5	..
Beav. Lumber, c.	3¾	5	Nor. Trusts	7	..
Beav. Lumber, p.	102½	..	Traders Bldg.	43	..
Can. Airways	1	..	West. Brew.	1½	2
Can. Indemnity	150	..	West. Grain, p.	..	9
Corr. P. Box, c.	.60	.80	Wings vot. tr.	.38	..
Fed. Grain, c	.35	.50			

*Stocks more active on other exchanges not included.

Volume of Stock Sales

	Montreal Markets Indust.	Montreal Markets Mines	Toronto Markets Ind. & Mines	Vancouver Markets Ind. & Mines
Aug. 19	4,200	7,100	130,000	......
Aug. 18	5,700	8,000	117,000	16,590
Aug. 16	3,100	1,700	93,000	8,625
Aug. 15	4,600	14,200	182,000	19,477
Aug. 14	5,400	7,300	157,000	17,210
Aug. 13	4,300	18,800	254,000	10,400

Government Bonds

Dominion of Canada Bonds (Supplied by Investment Dealers' Assoc. of Canada)

Aug. 20, 1941

%	Due	Bid	Ask.	Approx. Yld.
5	Nov. '41	100½	101	.97
1½	May '42	97	100½	.50
2	June '42	100¾	101½	.41
3	Oct. '42	102	102½	.85
2½	June '43	101¾	102½	1.25
5	Oct. '43	106¾	107½	1.00
2	June '44	100¾	101½	1.55
a2½	Jan. '44	97	98‡	3.10
4½	Oct. '44	107½	108½	1.80
2½	Nov. '44	101¾	102½	1.70
a2½	Aug. '45	96	97‡	3.30
4	Oct. '45	104½	105	1.65
4½	Feb. '46	109	109¾	2.20
3½	June '49	102¾	103½	b2.48
3½	Oct. '49	102½	103½	b2.43
3½	Nov. '51	101	101¾	b2.96
3½	Feb. '52	101½	102	b2.91
a5	May '52	101½	102½‡	1.62
4	Oct. '52	105½	106½	b2.85
3	Oct. '52	98½	99½	3.08
3	June '55	98½	99½	3.07
4½	Nov. '56	107¾	108½	b2.83
4½	Nov. '57	108	108¾	b2.95
3	June '58	98½	99	3.07
4½	Nov. '58	108¾	109½	b3.03
4½	Nov. '59	109¾	110¾	b3.07
a4	Oct. '60	100½	‡101½	b3.84
a3½	Jan. '61	91¾	92½‡	3.78
3½	June '66	100¾	101½	b3.15
a3e	Jan. '67	88	89½‡	3.65
a3e	Nov. '68	88	89½‡	3.62
†3	Perpet'l.	92½	93¾	3.20

Dominion Guarant'd. Bonds

%	Due	Bid	Ask.	Approx. Yld.
Can. Nat'l. Railways:				
2	Feb. '43	100½	101½	1.25
2½	Jan. '46	100½	101½	1.75
3	May '44	102½	103½	1.73
3	Dec. '50	98¾	99¾	3.03
3	Feb. '53	98	99	3.10
3	Jan. '59	96¾	97¾	3.17
*4½	Sept. '51	115	116	2.67
*4½	Feb. '56	115½	116½	3.10
4½	July '57	115½	116½	3.17
*4½	June '55	117½	118½	3.13
5	Feb. '54	116½	117½	3.28
*5e	July '69	115	116	b1.20
*5e	Oct. '69	118¾	119¾	b2.82
*5e	Feb. '70	118¾	119¾	b2.87
Grand Trunk Pacific Rly.:				
3	Jan. '62	98½	99½	3.03

Provincial Gov't. Bonds

%	Due	Bid	Ask.	Approx. Yld.
New Brunswick:				
3	Oct. '51	90	92	3.93
3½	Aug. '49	93	95	3.98
3½	June '56	93	95	3.95
c4	Nov. '47	98	100	4.00
c4½	Apr. '61	101	103	4.27
c5	Jan. '60	104	107	4.46
Nova Scotia:				
3	Jan. '52	95	96½	3.36
3½	June '56	94	96	3.60
3½	Nov. '50	98½	100	3.50
c4½	Sept. '52	106	107½	b3.14
c4½	Nov. '60	109	111½	3.67
c5	Mar. '60	115	117	3.72
Ontario:				
2½	May '45	99¾	100¾	2.43
3	Apr. '48	99¾	100½	b2.95
3	Nov. '50	98½	99¾	3.07
3½	Nov. '51	100	101	b3.11
3½	May '55	100	100¾	b3.17
*4	June '62	108	110	3.33
4½	June '50	110	111	3.07
*4½	Jan. '62	113	116	3.41
5	Oct. '48	111½	112½	3.05
*5	Dec. '60	120	122	3.44
5½	July '46	111	112	2.90
Ont. Hydro Commission:				
3	Aug. '48	99½	100½	b2.90
3½	Feb. '53	100	101	b3.11
3½	Apr. '47	101½	102½	3.01
Prince Edward Island:				
3	Oct. '45	95	97	3.69
Quebec:				
3	Nov. '47	96	97½	3.45
3½	Mar. '48	97	98	3.60
3½	Mar. '59	94½	96½	3.77
4	Nov. '52	100½	103	b3.62
3½	Feb. '55	98	99	3.85
4½	Aug. '58	101	103	4.00
4½	Jan. '63	104	107	4.03
Alberta:				
4	Dec.	64½	68½	d
4	Dec. '54	64½	68½	d
4½	Oct. '51	67	72	d
4½	Oct. '56	66	70	d
5*	Oct. '59	68	72	d
c5½	Apr. '52	71	76	d
6	Mar. '47	72	77	d
British Columbia:				
c4	Dec. '57	97	102	3.84
*4½	Jan. '51	101	104½	3.92
c4½	Oct. '53	101	105	3.98
c5	Apr. '54	104	108	4.20
5½	Feb. '45	102	106	3.65
6	Feb. '47	105	109	4.15
Manitoba:				
c4	Dec. '57	89½	93½	4.86
c4½	Dec. '56	93½	97½	4.73
*5	Dec. '59	97	101	4.92
5½	Oct. '55	99	103	5.29
6	Apr. '47	101	104	5.06
Saskatchewan:				
4	Sept. '54	72	73	6.88
4	Nov. '60	71	75	6.24
c4½	Oct. '51	82½	87½	6.10
c4½	Mar. '69	76	80	6.33
5	Aug. '58	81	85	6.48
5½	Oct. '52	87	90	6.70
6	Mar. '52	91	95	6.65

*—Payable Can., N.Y. and £. b—Calculated to call date giving lowest possible yield. c—Payable Can. & N.Y. a—Payable N.Y. †—Callable on or after Sept. 15, 1966. d—Traded flat. Interest being paid at 50% of coupon rate, minimum rate 2%. e—Callable at a premium. ‡—N.Y. funds.

Unlisted Stocks

Aug. 19, 1941 (Furnished by A. J. Pattison Jr. & Co., Toronto)

	Bid	Ask.		Bid	Ask.		Bid	Ask.
Industrials:			Mt. Royal H., c.	2½	3½	**Insurance Stocks:**		
Acme Farm., pf.	42	46	Morrison Br. un	6	8	Canada Life	390	400
Andian National	29	31	N. B. Tel., c.	10½	12½	Brit. Amer.	50	53
Anglo C. Tel., A	8½	9½	Neilson, Wm., c.	10	..	Canadian Fire	78	..
Atlas Steel	18	.	Do., pfd.	100	..	Confed. 30% pd.	136	141
Barrymore, pfd.	30	..	N. Meth. Ldy. p	55½	58½	Continental L.	35	40
B. C. Pulp, c.	10½	11½	Ont. Tobacco, p.	17½	20	Crown, fully pd.	240	287½
Do., pfd.	66	71	Pac. C. Term., c.	9½	10½	Dominion Fire	138	..
B. C. Sugar	72½	74½	Prov. Paper, pf.	100	102½	D. of Can. Gen.	115	120
B. C. Tel., 1st p.	110	114	Ruddy, E. L., p.	22	25	Empire, 25% pd.	6	7
Burns & Co., A	4½	5½	Quinte Milk	2	3	Excelsior 38% pd	70	75
Do., B	3½	4½	Stand. Fuel, p.	55½	58½	Federal, 25% pd.	51	..
Can. Co-op. Wl.	8	..	Stedman, pf. $50	57	59	Great-West Life	192	200
Can. Indust., A.	160	..	Sutton Horsley	1	1½	Halifax Fire	15	16½
Do., pref.	172	175	Tor. Carpet, c.	38	..	Imperial Life	290	297½
Can. Ing. Rand	74	77	Do., pfd.	65	68	Manufac. Life	220	230
Can. Colon. Air.	2½	3½	Un. F. Co-op.	2½	3½	Monarch Life	32	35
Can. Mot. L.A.B.	2½	..	Un. Steel A pf.	23½	25	National Life	..	20
Can. Tube, 1st p	90	..	Viceroy Mfg., p.	25	..	Sov. L. 25% pd.	14	..
Chase, A. W., p.	18	20	Do., com.	13	..	Sun Life	287	300
Claude Neon. p.	4½	5½	Westons Hold.	3½	..	Tor. General	4½	5½
Colonial Steam.	20	23	**Trusts & Loan Stocks:**			Wellington Fire.	58	..
Copeland Fl. un.	12	14	Brit. Mtge.	125	132½	Western Assce.	43	46
Dom. Manuf., p.	60	65	Brockville Tr.	41	..	**Theatre Stocks:**		
Dunlop T. p. $25	21	22½	Capital Tr.	30	32½	Allen's King. un	62	66
East. Steel, pf.	..	20	Comm. Fin., c.	2½	3	Do. St. Cath. un	51	..
Easy Wash. p $10	9½	10½	Grey&Br. Tr. $50	44	46	Manaf. Theat. p.	29	31
Goderich Elev.	6½	7½	Guaranty Trust.	100	103½	Para. Kitch., p.	51	..
Guelph Carp., c.	17½	20	Guelph & O. $50	50½	53½	Do. Oshawa, c	8	10
Gurney Fdry., p	1½	1½	Indust. Mtge.	25	..	**Investment Trust Shares:**		
Hayes Steel, c.	9	10	Lambton Loan	30	33½	Can. Investors	4	5
Hi'land Dairy, p	48	51	London & West.	34	37	Inv. Found. un.	42	44
Homewood San.	100	125	Midland Loan	13½	16	Sec's. Hold., pf.	18	21
Inglis, John	3	4½	Premier Trust	..	53	United Corp., A	18	20
Ingram & Bell p	95	..	Sherbrooke Tr.	120	..	Do., B	4	5
Kingst. Ship. un	31	32	Sterling Trust	50	..	**Power Issues:**		
Loblaw Inc., c.	10½	12	Traders Fin. A c	7	9	Can. W. N. Gas	27	..
Minn.&Ont. P. c	3½	4	Do., A pfd.	76	79	Do., pfd.	102	104
M'row Screw, p.	102	..	Trusts & Gr. new	40	45	Gt. Lakes Pr., p	101	103½
Do., com.	12	..	Victoria Trust	72½	76	Mtl. Is. Pwr., p.	40	..
Moirs, pfd.	18½	21½	Waterloo Trust	99	..	Nor. Ont. Pr. p.	71	75

Unlisted Mines

Toronto, Aug. 19, 1941

	Bid	Ask		Bid	Ask		Bid	Ask		Bid	Ask
Albany River			Dona P	.01	.02	Mat C	.03½	.04½	Proprie'	3.60	3.75
Old	.03	.04½	E Laco	..	.01	Cons	.18	.21	Presdor	.05½	.06½
New	.08	.11	E'ward	.23	.28	McLel	.21	.24	Que M	.10	.12
Am Kir	.07	.08½	Elmos	.07	.09	McMar	.36	.37	Rahn L	.00½	.01
Anoki	.04	.05	Franco	.25	.30	MofH n	.01½	..	Rand M	.07½	.08½
Aquarius	.15	.17	Galore	.01	.02	Mooshla	.01½	.03	R Lake	.01	.02
Arjon	.03½	.04½	Gan Cop	..	.04	Mosher	.06½	.07½	Ribago n	.02½	.03½
Arm'tice	.15	.17	Gate P	.00½	.01½	McMan	.02	.02½	R D'Or	.06	.09
Argosy	.07½	.08½	Gilbec	..	.01	Nat Mal	.33	.36	S.A.G.A.	1.25	1.50
Area	.03	.03½	H'ridge	..	.11	NAugar	.28	.31	Sach R	3.50	3.75
Athona o	.01	.02	Hoyle n	.19½	.21	Nick O	.70	..	Sanshaw	..	.07
New	.02½	.03½	HP Porc	.08	.09	Norbeau	.20	.25	Senore	.09	.10
Barb L	.02½	.03	Hutch L	.01½	.02	No 1940	.02	.04	Shen n	.20	.24
Bilmac	.01	.03	Jasper	..	.14	Nor M	.04	.06	Sheldon	.04½	.05½
Bruck	.31	.33	Keora	.01	.02	Numal	.09	.11	Skyn L	.01½	.02½
Buff B	..	.03	Kenricia	.01½	.02½	Oklend	.05	.06	Smelt G	.00½	.01½
Cald B	.05	.06	Kewaga	.02	.03	O'Lry M	.04	.05	Sunb'm	..	.02
Cent M	.02½	.03	Kiena	.02	.04	O Nick	.08	.09	Springer	.21	.23
Cheminis	.02½	.03	Kirk G	.00½	.01½	Opemis	.06½	.08½	Stadac	.10	.12
Coin L	.03½	.03½	Lacoma	.01	.01½	Oriole	.00½	.01½	Thoms'n	.14½	.16
Con Chi	.07½	.08½	Laguerre	.24	.26	Orpit	.10	.11	Treaty P	.05	.08
Crescent	.00½	.01	L Duf'lt	.16½	.18½	Ossian	.00½	.01½	Tundra	.28	.30
Dayton	.01	.02	L Gen	.13	.17	Pascalis	.25	.35	Un Min	.03½	.04½
Demp C	.00½	.01½	Lowry P	.13	.16	P Rou o	.04	.06	Wasu	.04	.06
Denovo	.10	.12	Magn C	.80	.85	Pelangio	.01½	.02½	WRed L	.00½	.01½
DeSant n	.10	.11	Magn L	.18	..	Phoe M	.01	.02½	Y David	.28	.30
Delpine	.14	.16	Mart B	.02½	.03½	Polaris	.06	.07½	Wesley	.04½	.06
			Margaret	.08	.10						

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

Aug. 19, 1941

Supplementary Stock Quotations

(Furnished by Plaxton, Cherry & Co. Toronto)

Aug. 19, 1941

Investment Trusts

Municipal Bonds

Dividends Declared

	This payment	Date payable	Date of record
Agnew Surpass	40c	Sept. 2	Aug. 15
Do., extra	20c	Sept. 2	Aug. 15
Do., pref.	$1.75	Oct. 1	Sept. 15
Aluminium	$2	Sept. 5	Aug. 15
Do., pref.	†$1.50	Sept. 1	Aug. 8
Amal. Elec.	▪25c	Aug. 30	Aug. 15
Anglo-Can. Tel., p.	15c	Sept. 2	Aug. 15
Asbestos Corp.	15c	Sept. 30	Sept. 15
Do., bonus	15c	Sept. 30	Sept. 15
Aunor Gold	4c	Sept. 3	Aug. 15
Bk. Can. Nat.	$2	Sept. 2	Aug. 15
Bk. of Montreal	$2	Sept. 2	July 31
Bk. of N. Scotia	$3	Oct. 1	Sept. 15
Bk. of Toronto	$2.50	Sept. 2	Aug 15
Bathurst P. & P., A	25c	Sept. 1	Aug. 15
Beattie Gold	4c	Sept. 23	Sept. 9
Borden's	30c	Sept. 2	Aug. 15
Canada Dry	†15c	Sept. 24	Sept. 10
Can. Wire & C., A	$1	Sept. 15	Aug. 31
Do., B	50c	Sept. 15	Aug. 31
Do., pref.	$1.62½	Sept. 15	Aug. 31
Canada Cement, p.	$1.25	Sept. 20	Aug. 30
Can. Indust., A, B	$1.50	Oct. 31	Sept. 30
Do., pref.	$1.75	Oct. 15	Sept. 30
Canadian Oil, pf.	$2	Oct. 1	Sept. 20
Commoil	1c	Aug. 29	Aug. 15
Can. Malartic	2c	Sept. 26	Sept. 5
Can. Cr. Stone	10c	Sept. 30	Sept. 15
Canada Vinegars	10c	Sept. 1	Aug. 15
Can. Breweries, pf.	75c	Oct. 1	Sept. 13
Corr. Paper Box, p.	$1.75	Sept. 2	Aug. 15
Can. For. Inv., pf.	▪$2	Oct. 1	Sept. 15
Can. Int. Inv. Tr., p.	50c	Sept. 2	Aug. 15
Canada Starch, c.	50c	Sept. 15	Sept. 8
Can. & D. Sugar	▪37½c	Sept. 2	Aug. 15
Cent. Patricia	4c	Sept. 30	Sept. 15
Do., extra	2c	Sept. 30	Sept. 15
Coniaurum Mines	4c	Sept. 25	Sept. 12
Cariboo Gold	4c	Oct. 1	Sept. 3
Do., extra	2c	Oct. 1	Sept. 3
Dom. Foundries p	$1.50	Sept. 2	Aug. 20
Dom. Bridge	30c	Aug. 25	July 31
Dom.&Ang. Inv. p	$1.25	Sept. 1	Aug. 15
Dom. Scott. Inv., pf	▪50c	Sept. 1	Aug. 20
Dist.-Seagram	55½c	Sept. 15	Aug. 30
East Malartic	▪10c	Aug. 30	Aug. 1
English Elec. A	62½c	Sept. 15	Aug. 30
Francoeur Gold	4c	Aug 29	Aug. 14
Falconbridge N.	5c	Sept. 29	Sept. 9
Granby Cons.	†15c	Sept. 2	Aug. 15
Hallnor Mines	15c	Sept. 3	Aug. 15
Hollinger Cons.	5c	Sept. 9	Aug. 26
Hudson's Bay, p.	1+1½%•	Sep 12	Aug 22
Int. Coal & Coke	1½c	Sept. 14	Sept. 4
Int. Nickel	†50c	Sept. 30	Sept. 2
Lake of W. Mill., p.	$1.75	Sept. 2	Aug. 16
Lake Shore M.	35c	Sept. 15	Aug. 30
Lang, J. A.	17½c	Oct. 1	Sept. 15
Loblaw, A. B.	25c	Sept. 2	Aug. 11
Loblaw Groc.	†20c	Sept. 1	Aug. 15
Louisiana Land	†10c	Sept. 15	Sept. 2
Laura Secord	20c	Sept. 1	Aug. 15
Kerr-Addison	5c	Aug. 28	Aug. 7
MacKinnon Stl., p.	$1.25	Sept. 15	Aug. 30
Macassa Mines	8c	Sept. 15	Aug. 30
McIntyre Porc.	55½c	Sept. 2	Aug. 1
McKenzie Red L.	3c	Sept. 15	Aug. 30
Montreal Loan	31¼c	Sept. 15	Aug. 31
Nat. Biscuit, c.	†40c	Oct. 15	Sept. 16
Do., pref.	†$1.75	Aug. 30	Aug. 15
Noranda	$1	Sept. 15	Aug. 20
N. S. Lt. & Pr., p.	$1.50	Sept. 2	Aug. 15
Ogilvie Flour, pf.	$1.75	Sept. 2	Aug. 16
Photo Engravers	50c	Sept. 2	Aug. 15
Perron Gold	▪4c	Sept. 22	Aug. 30
Do., extra	▪1c	Sept. 22	Aug. 30
Petrol Oil & G.	▪2c	Oct. 1	Sept. 15
Pioneer Gold	10c	Oct. 1	Aug. 31
Pressed Metals	†25c	Sept. 2	Aug. 15
Paton Mfg.	50c	Sept. 15	Aug. 31
Do., pref.	$1.75	Sept. 15	Aug. 31
Preston E. Dome	5c	Oct. 15	Sept. 30
Pickle Crow	10c	Sept. 30	Sept. 15
Prov. Bank	$1.50	Sept. 2	Aug. 15
Quebec Power	25c	Aug. 25	July 22
Remington Rand	†20c	Oct. 1	Sept. 10
Do., pref.	†$1.12½	Oct. 1	Sept. 10
Royal Bank	$2	Sept. 2	July 31
Rolland Paper, pf.	$1.50	Sept. 2	Aug. 15
Reliance Grain, p	$1.62½	Sept. 15	Aug. 31
Sylvanite Gold	7c	Sept. 30	Aug. 16
Stuart, D. A. Oil, p	20c	Sept. 1	Aug. 15
Shaw. W. & Pr.	23c	Aug. 25	July 24
Siscoe Gold	2c	Sept. 15	Aug. 16
Upper Can. Mines	4c	Aug 30	Aug. 15
Union Gas	20c	Sept. 15	Aug. 20
United Fuel, p.	75c	Oct. 1	Sept. 20
Vulcan Br. Pet.	1½c	Aug. 28	Aug. 20
Waite Amulet	10c	Sept. 10	Aug. 18
Walker-Good.	$1	Sept. 15	Aug. 22
Do., pref.	25c	Sept. 15	Aug. 22
Weston, George, c.	20c	Oct. 1	Sept. 12
Willson Stat., pfd.	$1.25	Oct. 15	Sept. 30
Wilsil	25c	Oct. 1	Sept. 15
Wright-Harg.	10c	Oct. 1	Aug. 21
Do., extra	5c	Oct. 1	Aug. 21

†Payable in U. S. funds.
▪Subject to approval of Foreign Exchange Control Board.
•Distribution from land sales account.

Mining Dividends

	Rate	Aug. 18	Yield %
Anglo-Huronian	▲10c	3.00	..
Aunor Gold	12c	1.71	..
Beattie Gold	16c	1.09	14.6
Bralorne	80c+40c	11.00	•10.9
Broulan Porc.	12c	.76	15.8
Buffalo Ankerite	▲20c	4.25	..
Bulolo Gold	$3	17.75	16.9
Can. Malartic	8c	.54	14.8
Cariboo Gold	16c+8c	2.40	10
Central Patricia	16c+6c	1.86	•11.8
Chesterville	10c	1.39	..
Cochenour Willans	3c	.67	..
Coniagas	▲17½c	1.05	..
Coniaurum	16c	1.26	12.6
Cons. Smelters	$1+$1.50	37.00	•6.7
Delnite	▲3c	.77	..
Dome Mines	$2	22.55	8.9
East Malartic	▲20c	2.20	..
Falconbridge	15c	3.30	..
Francoeur Gold	▲4c	.45	..
Goldale	‡2c	.12	..
Gold Belt	▲2c	.25	..
Grandview	▲1½c	.15	..
Gunnar Gold	6c	.25	..
Hallnor	60c	3.90	15.3
Hard Rock	▲5c	.76	..
Hedley Mascot	8c	.50	..
Hollinger	65c+45c	12.75	•8.6
Howey Gold	▲2c	.20½	..
Hudson Bay	$2	28.50	7
Inspiration	†2c	.25	..
Inter. Nickel, com.	$2	34.00	5.9
Island Mountain	▲8c	1.00	..
Jason	†2c	.37½	..
Kerr Addison	▲22c	4.45	..
Kerr Lake	‡10c	.30	..
Kirkland Lake	10c+2c	.69	•17.4
Kootenay Belle	▲6c	.23	..
Lamaque Gold	40c+5c	4.60	•11.9
Lake Shore	$1.40	14.75	9.5
Leitch	8c	.47½	16.8
Little Long Lac	▲10c	1.85	..
Macassa	32c+3c	3.85	•9.1
Madsen R. Lake	‡6c	.65	..
Malartic Gold	†5c	1.28	..
McGillivray Coal	‡3c+1c	.20	..
McKenzie Red L.	12c	1.07	11.2
Moneta	8c	.35	..
McIntyre-Porc.	$2.22+$1.11	49.63	•6.1
MacLeod-Cockshutt	‡20c	1.88	..
Naybob Gold	4c	.28	..
Negus	†5c	.60	..
Nipissing	15c	1.35	11.1
Noranda	$4	55.00	7.2
North Empire	▲20c	4.75	..
O'Brien Gold	10c	1.56	..
Pamour Porc.	12c	1.00	12
Pato Cons.	20c+2c	2.55	8.6
Pend Oreille	†6c	1.60	..
Perron Gold	16c+4c	1.42	•14
Pioneer, B.C.	40c	2.45	16.3
Pickle Crow	40c	3.05	13.1
Placer Develop.	$1.20	8.50	14.1
Premier	12c	.90½	13.2
Preston E. Dome	20c+10c	3.20	•9.4
Privateer Mines	▲9c+3c	.48	..
Quebec Gold	‡2c	.22	..
Relief Arlington	‡5c	.02⅞	..
San Antonio	14c+6c	2.45	•8.1
Sheep Creek	16c	.93	17.2
Sherritt Gordon	▲5c	.82	..
Sigma Mines	▲30c	6.90	..
Silbak Premier	16c	.80	20
Siscoe	▲6½c	.52	..
Sturgeon River	4c	.15	..
Sudbury Basin	▲2½c	1.50	..
Sullivan Cons.	▲5½c	.67	..
Surf Inlet	▲1c	.10	..
Sylvanite Gold	28c	2.35	..
Teck-Hughes	40c+5c	2.82	•15.9
Toburn	12c+5c	1.47	•11.5
Upper Canada	▲11c	1.86	..
Ventures	▲10c	4.55	..
Waite Amulet	▲20c	4.25	..
Wendigo	3c	.23	..
Wright-Harg.	40c+30c	4.05	•17.2
Ymir Yankee	2c	.08	..

•Yield including bonus. †Initial. ‡Paid in 1940. ▲Paid or declared payable in 1941 to date.

Public Utility Earnings

Mexican Light & Power Co.

Month of June:	1941 $	1940 $	Incr. %
Oper. earns.	737,590	659,262	11.88
Oper. exps.	597,651	500,001	19.53
Net earns.	139,939	159,261	•12.13
Six Months to June 30:			
Oper. earns.	4,409,708	3,758,016	17.34
Oper. exps.	3,618,080	2,877,201	25.75
Net earns.	791,628	880,815	•10.13

•Decrease.

British Columbia Power Corp.

July	1941	1940
Gross earnings	$1,524,864	$1,359,359
Less: Expenses	1,201,759	1,026,529
Int. & pref. divds.	186,665	187,665
Bal. for A stk.	136,440	145,165
Seven Months Ended July 31:		
Gross earnings	$10,511,260	$9,544,182
Less: Expenses	7,919,236	6,919,332
Int. & pref. divds.	1,308,660	1,315,660
Bal. for A stk.	1,283,364	1,309,190

DIVIDEND NOTICES

Banque Canadienne Nationale

Quarterly Dividend

NOTICE is hereby given that a dividend of two per cent 2% (being at the rate of 8% per annum) has been declared by the Directors of the Banque Canadienne Nationale on the paid-up capital stock of the Bank for the quarter ending on the 31st day of August 1941. This dividend, bearing the number 202, will be payable at the Main Office or at the branches of the Bank, on or after the 2nd day of September, 1941, to the shareholders of record on August 15th.

By order of the Board,
CHARLES ST-PIERRE,
General Manager.

Lake Shore Mines Limited

(No Personal Liability)

DIVIDEND NO. 86

NOTICE is hereby given that a dividend of Thirty-five Cents per share, on the issued capital stock of the Company, will be paid on the fifteenth day of September, 1941, to shareholders of record at the close of business on the thirtieth day of August, 1941. The payment of this dividend is subject to the approval of the Foreign Exchange Control Board.

By order of the Board.
KIRKLAND SECURITIES LIMITED
SECRETARY.

Dated at Kirkland Lake, Ontario, August 15th, 1941.

Macassa Mines, Limited

(No Personal Liability)

DIVIDEND NO. 25

NOTICE is hereby given that a dividend of eight cents (8c) per share has been declared on the capital stock of the company for the quarter ending September 30th next, and will be payable on September 15th to shareholders of record August 30th, 1941.

By Order of the Board,
L. SOLIAGUE,
Secretary.

Toronto, August 19th, 1941.

Central Patricia Gold Mines, Limited

DIVIDEND No. 21
EXTRA DIVIDEND No. 13

A dividend of 4c per share, and an extra dividend of 2c per share, making 6c per share in all, have been declared by the Directors on the capital stock of the company, payable the 30th day of September, 1941, to shareholders of record at the close of business on the 15th day of September, 1941.

Dated at Toronto this 16th day of August, 1941.

By Order of the Board.
C. R. ELLIOTT,
Assistant Sec.-Treas.

Hollinger Consolidated Gold Mines Limited

DIVIDEND NUMBER 348

A regular dividend of 1% has been declared by the Directors on the Capital Stock of the Company, payable on the 9th day of September, 1941, to shareholders of record at the close of business on the 26th day of August, 1941.

Dated the 19th day of August, 1941.
I. McIVOR,
Assistant-Treasurer.

Canadian Malartic Gold Mines Limited

25 King Street West, Toronto.

DIVIDEND NO. 14.

NOTICE IS HEREBY GIVEN that a dividend of 2 cents per share has been declared by the Directors of Canadian Malartic Gold Mines, Limited, payable in Canadian funds on September 26th, 1941, to shareholders of record September 5th, 1941.

By Order of the Board.
H. WHITTINGHAM.
Secretary-Treasurer.

August 14th, 1941.

Coniaurum Mines Limited

25 King Street West, Toronto

DIVIDEND No. 16

NOTICE IS HEREBY GIVEN that a dividend of 4 cents per share has been declared by the Directors of Coniaurum Mines Limited, payable in Canadian funds, on September 25th, 1941, to shareholders of record September 12th, 1941.

By Order of the Board,
H. WHITTINGHAM,
Secretary-Treasurer.

August 13th, 1941.

Beattie Gold Mines (Quebec) Limited

(No Personal Liability)
25 King Street West, Toronto

DIVIDEND No. 15

NOTICE IS HEREBY GIVEN that a dividend of 4 cents per share has been declared by the Directors of Beattie Gold Mines (Quebec) Limited, payable in Canadian funds on September 23rd, 1941, to shareholders of record September 9th, 1941.

By Order of the Board,
H. WHITTINGHAM,
Secretary-Treasurer.

August 13th, 1941.

DIVIDEND NOTICE

English Electric Company of Canada, Limited

CLASS "A" SHARES

Notice is hereby given that the Board of Directors have declared a dividend of sixty-two and one-half cents (62½c) per share on the outstanding Class "A" shares of the Company, payable September 15th, 1941, to shareholders of record at the close of business on August 30th, 1941.

AUBREY MUNDY,
Secretary.

August 15th, 1941.

PICKLE CROW

GOLD MINES LIMITED
(No Personal Liability)

NOTICE OF DIVIDEND NO. 23

Notice is hereby given that a dividend of ten cents (10c) per share in Canadian funds has been declared payable on Tuesday, September 30th, 1941, to shareholders of the company of record at the close of business on Monday, September 15th, 1941.

By Order of the Board,
ROBERT FENNELL, K.C.,
Treasurer.

Toronto, Ont., Aug. 10, 1941.

M. & O. Paper common
Bought and Sold
A. J. Pattison, Jr. & Co.
Royal Bank Bldg., Toronto
EL. 5101

Pioneer Mines Takes Option On Snowshoe

From Our Own Correspondent

VANCOUVER. — Pioneer Gold Mines has taken an option on Fred M. Wells's Snowshoe property in the Cariboo and will start development this month.

Under the option agreement Pioneer obtains an exclusive option on 60% of the authorized 3,000,000 shares of Snowshoe Gold, and a total expenditure of $200,000 is provided for.

The Snowshoe property consists of 16 claims and fractions, all crown granted, in the Yank's Peak area not far from the Cariboo Hudson ground, about 25 miles south of Barkerville.

Most of the 1,800,000 shares optioned by Pioneer are available in the Snowshoe treasury and the balance will be made up by the promoters without any deduction from shares held by the public. Shares will be taken down by Pioneer as funds are provided for development.

Share 60-40

Because of the good condition of the mine and the machinery located there, none of the $200,000 purchase consideration will be returnable to Pioneer. The two companies will share earnings on a 60-40 basis from the start of operations.

Howard T. James, managing director of Pioneer, and Ross Thompson of the Pioneer staff, have been added to the Snowshoe board.

Acquisition of the Snowshoe ties in with Pioneer's aggressive programme to extend its holdings in fields other than the Bridge River, where most of its production has been centred in the past. Pioneer is installing a 25-ton mill on the Musketeer property on Vancouver Island and also has other gold properties on the island, the North West Territories and in the Barraute field. The Snowshoe deal gives Pioneer a direct stake in the Cariboo.

For Fred Wells the transaction may result in creation of one more producer by one of British Columbia's most successful prospectors, largely responsible for development of Surf Inlet, Cariboo Gold Quartz and Cariboo Hudson, although the last named was recently forced into liquidation.

Tramways Employees Defer Bonus Demand

From Our Own Correspondent

MONTREAL. — Conductors and motormen of Montreal Tramways Co. will not ask the company for a cost-of-living bonus at the present time, officers of Montreal Tramways Union, Local 790, have decided.

The 2,200 members of the union received an increase of 10% last year, which would offset any increase in living costs up to that level. Government figures of 12% were cited by union officials as the increased cost of living since the outbreak of war. When it reaches 15% the union will ask for another 5% bonus, and another 5% when and if it gains to 20%.

Second Inter-State Investments Value

From Our Own Correspondent

MONTREAL.—Second Inter-State Royalty Corp. reports investments in oil royalties at June 30 had a book value of $254,296. Gross revenue from royalty income since acquisition to May 31 totalled $52,230. Reserve for depletion totalled $14,363. Gross royalty income for May was $493, while accumulated royalty income during the year to the end of May amounted to $3,001.

Inter-State Income Amounts to $479,071

From Our Own Correspondent

MONTREAL.—Inter-State Royalty Corp. has advised the Montreal Curb Market that investments in oil royalties at June 30 had a book value of $1.1 million.

Gross royalty income from acquisition to May 31 amounted to $479,071, and reserve for depletion totalled $131,068. The company had gross royalty income of $3,723 in May, while accumulated gross royalty income for the year to the end of May totalled $16,087.

Cons. Diversified Asset Value Gains

From Our Own Correspondent

MONTREAL. — Consolidated Diversified Standard Securities Ltd. reports net asset value at July 31 per preferred share amounted to $19.88, against the revised value of $17.97 a share one year ago.

DIVIDEND NOTICES

DIVIDEND NOTICE

The Cariboo Gold Quartz Mining Company Limited

(Non-Personal Liability)

Dividend No. 24

NOTICE IS HEREBY GIVEN that a quarterly dividend of four cents (4c) per share, together with an extra dividend of two cents (2c) per share, on the paid up capital stock of the Company, will be paid October 1, 1941, to shareholders of record September 3, 1941.

The Books of the Company will be closed for the transfer of shares from September 4, 1941, to September 6, 1941, inclusive.

By Order of the Board.
J. R. V. DUNLOP,
Secretary-Treasurer.

Vancouver, B.C.
August 18, 1941.

MacKinnon Steel Corporation Limited

DIVIDEND NOTICE

NOTICE IS HEREBY GIVEN that a dividend of One and One-quarter per cent (1¼%) has been declared on the 7% Cumulative Sinking Fund Redeemable Preferred stock of MacKinnon Steel Corporation Limited, payable September 15th, 1941, to shareholders of record August 30th, 1941.

This is a payment on account of arrears of preferred dividend.

By Order of the Board of Directors.
J. G. SCORER,
Secretary.

Montreal, August 18th, 1941.

Wampum Gold Shaft Sinking

Wampum Gold Mines is sinking a three compartment shaft to a depth of 250 ft. on its property at Wampum Lake, 45 miles north of Fort Frances, Ont. and it is expected the first level will be established about the end of the month. Levels are to be run off the shaft at 100 and 225 ft.

This shaft sinking has been recommended by A. H. Norton, company geologist. A programme of diamond drilling indicated two ore bodies. Sinking is being done in close proximity to the south or No. 5 deposit where, it is reported, drilling cut interesting values.

The company owns 34 claims covering the line of strike along the gold belt for a length of approximately 10,500 ft. Authorized capitalization is 3,500,000 shares of $1 par value of which 1,400,000 remained in the treasury at recent date. Finances are in hand for the sinking programme.

Foundation Co. Doubles Work

Volume Twice That on Books at Same Time Last Year

From Our Own Correspondent

MONTREAL.—Foundation Co. of Canada has on its books nearly double the volume of business it held at the same time last year, The Financial Post is informed.

Almost the entire volume is connected directly with war work of various description and a high rate of activity exists in the company's three divisions, construction, engineering and marine.

Taxation Burden Heavy

Earnings outlook is tempered by the heavy weight of taxation expected in the current year. Operating profit in eight months ended Dec. 31, 1940, totalled $434,495, and after income tax provision of $160,000, net profit amounted to $98,786. This compares with net profit of $128,516 in the year ended March 30, 1940.

Despite higher taxation net result is expected to compare favorably with the latter year, which was the most satisfactory operating period for several years.

Foundation recently received a contract for construction of a $68,000 addition to the Longue Pointe plant of Canadian Car and Foundry Co.

Railway Traffic Gains Continue

From Our Own Correspondent

MONTREAL. — Canadian Pacific Railway Co. reports gross traffic earnings in the week ended Aug. 14 of $4.3 millions, an increase of $878,000, or 25.6% over the corresponding week last year. Gross earnings to Aug. 14 totalled $127.7 millions, a gain of $30.2 millions, or 30.9% over the same period last year.

Canadian National Railways reports gross revenue for the all-inclusive system of $5.8 millions in the week ended Aug. 14, an increase of $1.1 million, or 24% over the same week in 1940. Cumulative gross total in the year to Aug. 14 was $178.8 millions, a gain of $35.6 millions, or 23.1% over the corresponding period last year.

Obituaries

R. A. McInnis, formerly general manager and director Anglo-Canadian Pulp and Paper Mills Ltd., vice-president Anglo-Newfoundland Development Co., president Montmorency Patent Holdings Ltd., Gaspesia Sulphite Co., director and member executive committee Quebec Forest Industries Association, Ltd., director Anglo - Newfoundland Steamships Co., Terra Nova Properties Ltd., Tampax Inc., Quebec Logging Corp., Canadian Forestry Assoc. aged 58 at Port Carling, Ont.

• • •

J. O. Apps, general executive assistant Canadian Pacific Railway, aged 63, at Montreal.

• • •

Harold A. Greene, president Bankers Bond Co., Toronto, Greenbank Securities, Ltd., D. A. Stuart Oil Co., Muirheads Cafeterias Ltd., vice-president Eastern Steel Products, Ltd., Canadian Wirebound Boxes Ltd., Waterloo Manufacturing Co., director Agnew Surpass Shoe Stores Ltd., John Ritchie Co. and A. B. Ormsby Co., aged 54, at Toronto.

• • •

A. B. Purvis, director-general British Purchasing Commission in U. S. A., president and managing director Canadian Industries Ltd., president Canadian Safety Fuse Co., vice-chairman of the board Dunlop Tire & Rubber Goods Co., member executive committee and director C. P. R., director Bank of Montreal, Bell Telephone Co. of Canada, British American Oil Co., Canadian Investment Fund, Ltd., Canadian Lastex Ltd., Consolidated Mining & Smelting Co. of Canada, Consolidated Paper Corp., Liverpool & London & Globe Insurance Co., North American Telegraph Co., Northern Electric Co., Royal Trust Co., Steel Co. of Canada, Sun Life Assurance Co. of Canada, West Kootenay Power & Light Co., governor McGill University, etc., aged 51, in airplane crash in England.

John P. Stevenson, customs broker, Toronto, aged 62, at Toronto.

Publishers' Stocks Of Newsprint Rise

From Our Own Correspondent

MONTREAL. — Sharp seasonal rise in publishers stocks of newsprint paper at the end of July is announced by the American Newspaper Publishers Association. At the end of last month the publishers had on hand 361,053 tons of paper, or 52 days' supply. This compares with 327,368 tons or 41 days' supply at the close of the previous month.

The volume on hand was not unusually large; in fact, it was more or less normal, comparing with 363,288 tons or 54 days' supply at the close of July last year.

Week in Wheat

New Wheat Marketings See Mill Buyers Busy

Kept Price Ahead of Wheat Board Basis Which as Yet Gets Little Volume — Some Farmers Defer Decision

From Our Own Correspondent

WINNIPEG.—The past week has seen the first considerable selling of new wheat by farmers. Their offerings were met by a large volume of purchases on behalf of Canadian mills, and the result was a price level sufficiently in advance of the Wheat Board basis for initial payments to ensure that most farmers' deliveries were sold on the open market, with only a small fraction going to the Wheat Board.

For a certain percentage of their deliveries farmers have been taking storage tickets instead of cash settlement, thus deferring the time of decision as to the method of disposal of their wheat. It is not yet established that farmers will follow a holding policy to any important extent. They may be merely waiting until the first rush of threshing and hauling is over to attend to the matter of sale, or taking advantage of the 15 days free storage which elevator handling tariffs allow them.

It is assumed that mill buying has been based on large sales of flour by Canadian millers. If so, flour buyers in Canada are displaying similar tendencies to those noted in the United States, where millers have lately been booking an almost unprecedented volume of domestic business.

Protective Buying

Large baking companies, as well as retailers of flour, have apparently been assuming that they are not likely to buy flour at lower levels than present quotations in the near future, and are taking care to protect themselves against any advances that may take place.

To some extent also, householders, noting increase in the cost of living which has developed through price advances in various commodities, are developing a tendency to accumulate and carry larger than normal food supplies. Arguments on which such actions are based should be much more impelling in Canada than in the United States. A Canadian baker may feel quite sure that there is no chance of his being able to buy flour at prices based on wheat quotations lower than the pegged prices which have been set on the Winnipeg market at the request of the Canadian Wheat Board. The greatest possible saving he might expect through delaying his purchases would be based on a difference of a few cents a bushel in wheat costs, while he would be protecting himself against a possible advance decidedly greater. Moreover, Canadian mills have been getting substantial prices for their mill feeds, and any decline which might develop in the prices of such products would be an influence towards increased flour prices.

• • •

Buying From U. S.

United States mills have also been buyers of Canadian wheat, expecting to use it for export flour, on which they would be entitled to a drawback of duty paid. Canadian wheat is so much cheaper than American wheat that American mills may well expect to use it exclusively for export flour. Wheat purchases from south of the line may well be made in advance of actual booking of export flour sales. American mills make extensive use of the futures system in hedging purchases of wheat and sales of flour, but on the whole are probably less rigorously bound by it than are Canadian mills. Some accumulation of Canadian wheat, at present low levels, is not an unlikely development.

• • •

Tax Change Helps

Removal of the Canadian processing tax on wheat is to some extent a factor in current flour demand. It was in the hope of such a development flour buyers had previously been holding their purchases to a minimum, and allowing stocks to be depleted below normal levels. Some observers have been wondering if removal of the tax, and the government desire to prevent bread prices from rising means that a ceiling would be placed on the wheat market. Selling by the Wheat Board out of its accumulated stocks could of course prevent prices rising beyond any pre-determined level. But the general assumption is that wheat prices would have to rise very considerably above present levels before the government agency would take any action designed to prevent a further rise.

• • •

Carryover Smaller

The carryover of Canadian wheat at July 31, officially recorded by the Dominion Bureau of Statistics at 480 million bushels, although extraordinarily large by all previous standards was, nevertheless, smaller by at least 50 million bushels than most estimates of the carryover made at the beginning of the crop year.

Mainly contributing to that result was the fact that exports of wheat to Great Britain were very much larger during the latter half of the crop year than during the earlier part, and larger than any expectations earlier held. That the exports were so large must be in part attributed to the fact that some of them were undoubtedly lost at sea through enemy action.

But after all allowances on that score it seems certain that some important wheat reserves have been accumulated in Great Britain. Such reserves would form part of the regional food stocks which according to government announcement, have been accumulated in different sections of the country to guard against possible enemy invasion. They would be a safeguard against any interruption of the flow of food stocks by sea, not only from possible enemy action, but more important probably, in case shipping might be diverted for a time to other uses.

The existence of reserves in Great Britain does not necessarily create any probability that total wheat requirements this year will be less than last year. Indeed, increasing reliance on bread for food, or a possible relaxation in regulations concerning use of wheat as feed for livestock, might increase needs. But it does make it reasonably likely that the flow of wheat across the Atlantic may be somewhat spasmodic in nature.

• • •

Can't Measure This

That the carryover is smaller than anticipated is due to some slight overestimation of the Canadian wheat crop. How much it was overestimated will never be exactly known, because there is no means of measuring the consumption of wheat for livestock feed on farms where it was produced. Similar uncertainties will prevail during the current year, and all that seems certain is that the feeding of wheat will be on a very large scale, due to the increased livestock population of western Canada, a price structure that makes the feeding of grain economical, and a very poor crop of coarse grains over the greater part of the west.

• • •

Surplus Lower?

It seems reasonably probable, in view of the small size of the western crop, although it cannot be accurately measured as yet, the requirements of wheat for Great Britain, the ordinary use for domestic milling in Canada, and the increased feeding of livestock in Canada, that the current crop year will see, not a further increase, but possibly some reduction in the Canadian carryover.

• • •

Lake Shipping

According to the annual report of the Lake Shippers' Clearance Association, released by General Manager James A. Speers, movement of grain down the lakes for the crop year ended July 31, was 260,754,860 bushels. Of this, wheat shipments amounted to 219,278,249 bushels, while oats, barley, rye and flax made up the remainder.

During each of the past two crop years more grain has gone by the lake route than during any other years, except during 1928-29, when lake movement of grain was more than 350 million bushels.

Increased use of the lake route is of course due to the fact that the Pacific route through Vancouver is almost closed for grain on account of war and almost all exports of Canadian grain during the past two years have been made from Canadian or American Atlantic ports.

Chickens Help Wheat Problem

From Our Own Correspondent

WINNIPEG. — The demand for eggs for export, and the fairly high price level which now prevails, assuming its continuance, will result in an important increase in the feed use of wheat.

Most of the wheat fed in Canada usually goes to the chickens, and an estimate of 30 million bushels has been made of the ordinary use of wheat for this purpose.

Commodities

Commodity markets have been irregular. Advances however have been sufficient to result in three of the four weekly spot indices being slightly higher while one was lower. Dow Jones index of future commodity prices was down almost a full point.

Expectation that the United States Government would take further action to freeze prices tended to check advances. In the agricultural group, cattle were higher, while hogs were easy. Wheat was a shade firmer. In some quarters possibility of wheat being shipped from North America to Russia is being considered.

	Latest week	Previous week	Same week last yr.
Cattle	$9.60	$9.50	$8.75
Hogs	14.60	14.75	12.00
Copper, lb.	.12	.12	.10⅞
Cotton, lb.	.1669	.1697	.0971
Rubber, lb.	.22⅜	.22⅜	.19⅞
Silk, lb.	3.57	3.57	2.51
Sugar, raw, lb.	.0370	.0375	.0262
Wheat, Man. (bu.)	.73¾	.73⅝	.72¼
Coffee, lb.	.1338	.1338	.0675
Hides	.15	.15	.10
Weekly Indices			
Canada (D.B.S.)	91.2	91.0	82.5
Do., Wood, Gundy	74.5	74.7	64.0
U. S. Labor	89.6	89.2	76.9
Dow Jones (future)	78.50	79.48	48.85
Fishers	96.7	96.2	81.1
Monthly Indices			
Canada (D.B.S.):			
Retail (July)•	111.9	110.5	105.6
W'sale (June)	90.0	88.5	81.6
U. S. (May)	84.9	83.2	78.4
Gt. Brit. (May)	151.3	150.9	134.4

Note:—The base of indices is that 1926 equals 100. •Base 1935-39 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price, Toronto. Copper-electrolytic. New York. Silk—Raw Kans. No. 1 coffee. Santos. Sugar—96 degrees centrifugal, c/i New York. Wheat—No. 1 Man. North., Ft. W.-Pt. A. basis. Hides—No. 1 packer light.

GRAIN MERCHANTS
RECEIVERS · SHIPPERS · EXPORTERS
SINCE 1857
OVER 200 COUNTRY ELEVATORS IN WESTERN CANADA
TERMINAL ELEVATOR AT PORT ARTHUR
Private wires connecting Offices across Canada with New York and Chicago
HEAD OFFICE — WINNIPEG
JAMES RICHARDSON & SONS LIMITED

N. M. PATERSON & COMPANY LTD.
Own and Operate
One Terminal Elevator in Fort William
109 Country Elevators
Total Storage Capacity 6,925,000 bus.
31 Vessels on the Great Lakes
Total Carrying Capacity 4,500,000 bus. per trip
Head Office: FORT WILLIAM, ONT.

RELIANCE
GRAIN COMPANY LIMITED
Owners and Operators Country Elevators and Terminals
Exporters and Shippers
SMITH, MURPHY CO. INC.
510 PRODUCE EXCHANGE, NEW YORK
Head Office: 919 Grain Exchange, Winnipeg
Branch Offices: Toronto and Vancouver

NORRIS GRAIN COMPANY
LIMITED
C. C. FIELDS, Pres. GEO. S. MATHIESON, Vice-pres.
C. E. BABBITT, Sec'y.
Grain Merchants, Shippers and Exporters
709 Grain Exchange, Winnipeg
NEW YORK — CHICAGO — KANSAS CITY — TOLEDO
ST. LOUIS — BALTIMORE — LONDON — LIVERPOOL

Canada's Will to Win the War Must be backed by Dollars.
BUY WAR SAVINGS CERTIFICATES
The ALBERTA PACIFIC GRAIN CO. Ltd.

Municipal Finances

CALGARY.—Tax collections in the seven months ended July 31 this year totalled $2.6 millions in arrears in current taxes, or 74.13% of the $3.5 millions collectible. This is an increase of 51.6% over the collections of a year ago and leaves only $899,856 outstanding in current taxes and arrears. On current taxes the city has received 78.6% of the amount collectible, an increase of 2.60% over last year. Payments on arrears were 47.8% of the amount collectible, an increase of 5.29%. It is stated that the city has been able to transact all current business for seven months without borrowing anything from the banks.

• • •

Edmonton, Alta.—Tax collections for the first six months of 1941 totalled $2.4 millions, a gain of $133,496 over the amount collected in the first six months of last year. The mill rate was the same in each year.

New Building

WAR PROJECTS

Major projects recently initiated by contract awards of the Dept. of Munitions and Supply include:

R.C.A.F. station, Moncton, N.B., wood construction, $2 millions.

R.C.A.F. station, Aylmer, Ont., wood construction units, $79,000.

Emergency field, Kingston, wood construction, $68,000.

R.C.A.F. station, Hagersville, Ont., wood construction, $63,000.

Emergency fields, Summerside, P.E.I., and Dunnville, Ont., wood construction units, $76,000 each.

Air observers school, Portage la Prairie, Man., wood construction, $91,000.

Naval station, unnamed location in Nova Scotia, wood construction, $500,000.

R.C.A.F. station, Calgary, wood construction, $71,000.

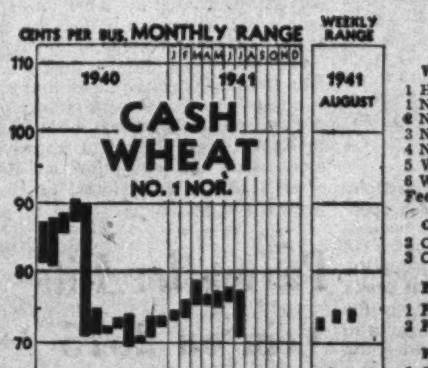
Reported by Engineering & Contract Record:

St. John Dry Dock & Shipbuilding Co. has awarded general contract to Canadian Dredge & Dock Co. for alterations and additions to plant at East Saint John, N.B., to cost $200,000.

Dept. of Transport, Civil Aviation branch, is considering plans for terminal building at Stevenson field, Winnipeg airport, with air line offices, waiting rooms, restaurant, and accommodation for customs, immigration and postal officials.

Distillers Corp. has awarded general contract for $250,000 warehouse at Ville LaSalle, Montreal.

Wheat Prices



Cash Quotations

Wheat:	For Week Aug. 18 High	For Week Aug. 18 Low	Prev. Week High	Prev. Week Low
1 Hard	.74¾	.73¾	.74⅝	.70⅝
1 Nor.	.74¾	.73¾	.74⅝	.72⅞
2 Nor.	.72¼	.71¼	.72	.70⅝
3 Nor.	.69¼	.68⅜	.69¼	.67¼
4 Nor.	.68¼	.67¼	.68	.66¼
5 Wheat	.66	.65	.67½	.65
6 Wheat	.64	.63	.65⅜	.63
Feed	.59	.58	.58⅝	.57½
Oats:				
2 C. W.	.46⅛	.43⅝	.43⅝	.40⅝
3 C. W.	.43⅞	.41⅜	.41⅛	.38½
Barley:				
1 Feed	.48⅜	.47	.49¼	.39¼
2 Feed	.48⅜	.46¾	.49	.37⅝
Flax:				
1 C. W.	1.46¾	1.44¾	1.46⅛	1.43
2 C. W.	1.40¾	1.39⅛	1.40¼	1.37
Rye:				
2 C. W.	.55¾	.54	.56⅜	.54⅜

Winnipeg Grain Futures

Week to Aug. 18, 1941

Crop year from Aug. 1, 1941 High	Low		Open Aug. 12	High for week	Low for week	Close Aug. 18	Close year ago
		Wheat					
.76⅞	.73⅝	Oct.	.75	.76¼	.74⅞	.75	.73⅝
.78½	.75⅝	Dec.	.76½	.77⅞	.76⅜	.76⅝	.74⅝
.82¼	.80⅝	May	.80⅝	.82	.80⅝	.80⅞	.....
		Oats					
.44¾	.37¾	Oct.	.41½	.44¾	.41⅛	.43¾	.28
.42⅛	.35⅛	Dec.	.39⅝	.42⅛	.39⅜	.41⅛	.26
.42⅛	.38⅛	May	.39¾	.42⅛	.39⅛	.41⅛	.26⅝
		Barley					
.53	.47⅞	Oct.	.49½	.53	.49⅛	.50¼	.32¼
.52⅜	.46¼	Dec.	.49	.52⅜	.48½	.50¼	.30⅞
.53	.49⅝	May	.50	.53	.49⅝	.51¼	.....
		Flax					
1.46¼	1.40¼	Oct.	1.43½	1.46¼	1.43	1.44¾	1.33
1.45½	1.40½	Dec.	1.42½	1.45½	1.42½	1.44⅛	....
1.49	1.46	May	1.46	1.49	1.46	1.48¼	....
		Rye					
.57¼	.53⅝	Oct.	.54½	.57	.54⅜	.54½	.41
.58	.53⅜	Dec.	.55½	.57¾	.53⅜	.55½	.41⅝
.60⅝	.51⅜	May	.56½	.60⅝	.58½	.58⅛	.44⅛

Week in Mining

Mining Market Traders Continue Sitting Tight

On Toronto Stock Exchange Figures Sale Velocity Down to 0.6% Compared With 2.7% in Prewar Months

Uncertainty generated by statements from the Joint Economic Committees of Canada and the United States regarding future gold policies continued from the background to dominate last week's mining markets. While the possibility of any marked change in the position of gold is generally discounted, the story caught the market after a minor rally on narrow volume. Apparently the upward movement had not gained sufficient strength to withstand temporary hesitation on the part of buyers.

How thin the market has been is pointed by the Toronto Stock Exchange July figures. The ratio of transactions to total share listings amounted to 0.61%, compared with the 1939 high of 2.67% and the 1937 top of 8.71%. On this small volume the golds index rose 5.4 points to 103.24, a minor rise, but one which brought the index within 7 points of the year's high and hence may have rendered it somewhat vulnerable from a technical standpoint.

In contrast with the flatness of the general picture, the leaders that have appeared in the past week or so have met with good volume and have demonstrated increased sensitivity to property developments. O'Brien, which firmed on the strength of deep development reports on the main vein later weakened on the question of how long it would take for these to show in earnings but the weakness was again replaced by a stronger tone. Good volume showed throughout. Similar activity of trading was in evidence in Steep Rock, Kerr Addison, Preston and Broulan. The more optimistic traders see in this a renewal of public interest that may overcome the depressing effect of the gold rumors.

Will Rebuild

The importance of cobalt as a strategic metal makes significant the statement of Dr. H. C. Rickaby, Ontario Deputy-Minister of Mines, that it was very likely the Temiskaming Testing Laboratories would be rebuilt. They were destroyed by fire not long ago.

The Temiskaming Testing Laboratories' analyses on cobalt ores from the old Cobalt camp were accepted all over the world, according to an eminent geologist. Moreover, the laboratories acted as a sort of marketing agency for the smaller producers who lease old silver properties.

Canada has been dependent to a considerable extent for its cobalt requirements on importations from such sources as the Rhokana Corporation in Northern Rhodesia. The United States prior to the outbreak of war got about 29% of its total imports of cobalt ore, metal and oxide from Canada.

While one of the largest sources of cobalt is the Belgian Congo, the United States took over 33% of its 1938 imports from Finland, France and Germany, sources now shut off. The U. S. has, so far as can be learned, failed to develop substantial supplies of its own.

Cobalt is used by the steel industry in the production of steel for high-speed cutting tools and for permanent magnets. Metallic cobalt was used in the first Great War to develop an alloy known as "stellite." This alloy, produced by the Deloro Smelting and Refining Co. of Deloro, Ont., contained chromium, tungsten and cobalt; it was highly regarded in the munitions industry for its non-sparking qualities.

* * *

Increased Importance

In recent years, cobalt has assumed greater importance in the metallurgical industry. It is used in bright plating, for hardening copper, for corrosion-resisting alloys. It has been tried out for the conversion of carbon into gasoline.

At one time cobalt had no economic value. In fact, the name comes from a word which meant "goblin"—something that harassed the miners. During the 18th century in France, nickel and cobalt were rejected with the smelter slag, in the search for silver, and used to fill the swamps or form road beds. In later times, the roads were dug up to get their valuable contents.

The banner year for cobalt in Ontario was 1925. Production of cobalt and its associated products in that year totalled 996,900 pounds. During the years 1935 to 1939, however, there was a steady increase shown in the output of cobalt, except for 1938. In 1939, value of cobalt in metal, oxides, salts, ores and residues amounted to $1,213,454, as compared with $512,705 in 1935, $803,580 in 1936, $848,145 in 1937, $790,913 in 1938.

Operations in 1939 in the Cobalt and Gowganda areas were on the lessee system. Such old silver properties as Coniagas, Nipissing, Trethewey, Silver Cliff and Lorrain Consolidated were operated on this system.

Cobalt Products Ltd., of which Joseph McDonough is president, owns a mill on the old Colonial property in Coleman township, Cobalt area, and treats ore from its own operations as well as custom ore. During 1939, this company operated the Agaunico property where 3,881 tons were hoisted.

* * *

Depletion

Grave concern over the longer-term effects of the present policy of speeding up gold production was expressed to The Financial Post by one of Canada's best-known geologists this week. He foresees the exhaustion of gold mining in a little over a decade if present policies persist.

"We have reached the top of the cycle right now," he asserted, pointing out that only 60 producing mines have been developed in the last 20 years. The drying up of prospecting activity has aggravated the situation."

This man feels that steps should be taken now to build up a smelting industry, as was done in Wales, to meet the threat of eventual depletion of the gold mines.

* * *

U. S. Gold Imports

With $19,228,000 coming from Canada, the United States Department of Commerce reports that gold imports showed an increase of $6,335,991 in July at $37,054,555 over the preceding month. Shipments from Australia amounted to $5,199,000, from the Philippine Islands $4,972,000, and from various South American countries $3,913,000.

* * *

Market Value Up

Quoted market value of mining shares listed on the Toronto Stock Exchange amounted to $1,442 millions at July 31, 1941, as compared with $1,322 millions at the end of the preceding month. Total share listings at the end of July were 548 millions as against 547 millions in June and 561 millions in May.

Macassa Shows 735 x 12 ft. On New Levels

With upward of 1,800 to 2,000 ft. of new ore structure opened up so far this year, drifting at Macassa Mines on two of the three new levels at 3,875, 4,000 and 4,125 ft. has disclosed total ore lengths of 735 ft. with widths up to 12.6 ft. and grade as high as 0.92 oz.

Drifting on the 4,125-ft. level has developed 117 ft. of ore running 0.32 oz. across 6 ft., 156 ft. averaging 0.55 oz. over a width of 6.5 ft., 33 ft. of 0.42 oz. grade with width of 10 ft., 26 ft. yielding 0.92 oz. across width of 8.4 ft., and a length of 155 ft. averaging 0.55 oz. over 6.2 ft.

4,000 Ft. Drifting

On the 4,000-ft. level drifting along the break is proceeding east from No. 2 shaft and the drift has been in ore for the last 30 ft. of advance.

Drifting east from the winze at the 3,875-ft. level along the main break has disclosed ore structure in the high grade category in fractured syenite in the fault zone and along the north wall.

At this horizon, a length of 115 ft. assayed 0.78 oz. over width of 12.6 ft., 100 ft. averaged 0.96 oz. over 7.2 ft. while a length of 33 ft. averaged 0.90 across a width of 7.4 ft.

Diamond drilling to the north and west from the Grozelle boundary has indicated ore structure over an extension of 200 ft. At 50-ft. intervals four horizontal holes returned an average width of 4 ft. of mine average grade. On the upper levels, diamond drilling and deepening old drill holes are being continued to explore for hanging wall branch veins. Narrow structure of high grade values has been indicated at 300 ft. south on the 1,600 ft. level.

Halt Crosscut

The exploratory crosscut to the north on the 3,000-ft. level has been discontinued. The crosscut to the south to Amalgamated Kirkland ground has traversed 2,000 ft. and will be in Macassa ground for an additional 800 ft.

At Renabie Mines, the company's subsidiary, near Missinabie, Ont., the three compartment shaft has been sunk to 280 ft. Crosscutting will be under way within a month on the two levels being established.

Sees $17 Ore For Jason

Having just returned from the mine, Lt.-Col. E. M. Thompson, president of Jason Mines, reports that everything is proceeding normally. Drifting in ore continues on the 7th level of the No. 2 shaft.

Shaft sinking is being done on No. 1 vein and had advanced about 70 ft. toward the 5th level. Intensive efforts are being made to develop ore well in advance of mill requirements. As at Jan. 1, 1941, reasonably assured ore was estimated at 70,150 tons averaging $17.82 per ton in both the No. 1 and No. 2 shaft areas.

Col. Thompson thinks that grade will remain stabilized at around $17. January was the lowest month for per ton recovery at $13.60. Since then there has been a gradual improvement with the exception of May when recovery was $16.39. In June it averaged $17.84.

Paymaster Hits Vein on 2575

Paymaster Consolidated has crosscut into the No. 31 vein at the 2,575-ft. level with the west wall of the crosscut at the point of intersection running $9.89 across a width of 8 ft. or $7.47 across 11.2 ft. The east wall averaged $11.16 across 13.7 ft. or $10.51 across 14.6 ft.

Sampling of the west wall on the following day showed $23.87 across 9.6 ft. and the east wall gave $10.39 across 13.2 ft. High grade was continuing to the west in the next round.

Cent. Zeballos Profit Aid For Reno

Because Central Zeballos showed a net profit of $10,478 for the year ended April 30, 1941, Reno Gold Mines is able to report a net profit for the fiscal year ended April 30 of $4,541. In the six and one half months of mill operation to April 30, 1940 Reno had a net loss of $47,404.

During the 1941 fiscal year, Reno's mill operated six and one-half months. During that period production amounted to $242,688 from 22,463 tons for an average recovery of $10.80 per ton. Operating costs totalled $242,283.

Total output at the Central Zeballos property amounted to $259,208 from which a net profit of $10,478 was realized after providing $39,437 for depletion. Vice-President A. J. Hendry states that Reno has been repaid the total amount returnable to it.

Unsatisfactory results are reported from further work on the Motherlode vein. A small ore body has been disclosed by exploration on the Nugget vein. Ore from this and from the Motherlode at the 12th level necessitated reopening of the mill on July 7 of this year. On July 1, reasonably assured ore in the Nugget mine amounted to 4,200 tons of 0.25 oz. grade.

Superintendent W. S. Ellis points out that the present mill-run from the Motherlode-Nugget has a period of probably three or possibly four months.

At April 30, 1941, current assets were $418,158, of which $350,730 was in cash, against $24,559 in current liabilities. This left net working capital of $393,599 as compared with $334,000 at April 30, 1940.

Leitch Gold Profit Off

Leitch Gold Mines had a net profit of $55,478, equal to 1.9 cents a share in the three months ended June 30, 1941, compared with $64,958 or 2.3 cents in the preceding three months.

Earnings Statement

Three Months Ended June 30,	1941
	$
Bullion production	216,566
Less: Operating & admin. exps.	103,422
Net oper. earnings	113,144
Add: Other income	2,336
Total net earnings	115,480
Less: Depreciation	15,453
Deferred devel. w/o	7,977
Outside exploration	572
Reserve for taxes	60,002
Net profit	55,478

Coal Output Is Reduced

Canadian coal production in June totalled 1,157,727 tons as compared with 1,198,255 tons in the previous month and 1,159,552 tons in the corresponding month of last year. Total output of coal in the first half of 1941 was 8,390,938 tons against 8,264,448 tons. Production by provinces was as follows:

Province:	6 Mos. 1941 tons	6 Mos. 1940 tons
Nova Scotia	499,675	622,802
Alberta	411,824	318,714
British Columbia	155,917	148,912
Saskatchewan	48,925	26,000
New Brunswick	41,386	43,124

No Word Yet if Death Of Fisher Hits Faymar

What effect the recent death of Fred Fisher, Detroit motor car manufacturer, will have on the future of Faymar Porcupine Mines, which he was financing, is not known yet as the will has not been read, Gordon McLaughlin, secretary of Faymar told The Financial Post this week.

Mr. Fisher is stated to have advanced $400,000 to Faymar to put it into production and there were $370,000 of the 5% first mortgage bonds outstanding at Dec. 31, 1940. He also owned the adjoining Nakhodas claims on which surface work and diamond drilling had given encouragement, and he was interested in the acquisition of the Edwards claim, adjoining to the north of Buffalo Ankerite. Regular shipments are being made from the latter property to the Faymar mill.

Not Hit Yet

Efforts to locate extensions of the ore bodies at Faymar have not met with success. A winze was sunk from the bottom level at 600 ft. to a depth of 1,050 ft. No values were found. At the 1,050-ft. level a crosscut was driven south 300 ft. and drilling to the north cut the break at greater depth. Drilling is being continued, but so far no commercial values have been secured although general structural conditions are said to appear promising.

Currently, 125 tons daily are being treated from the Faymar mine and 50 to 65 tons from the Edwards property. An operating profit has been shown. There is a further tonnage, beyond the three months ore in reserve, mostly of marginal stuff and what is tied up in sills and pillars.

On the Edwards property there are four operating stopes on the 150-ft. level, the only one opened up. The Nakhodas property is inactive at the present time. A proposal has been made to treat any ore found in development of the near-by Acordia property in the Faymar mill.

Cournor July Output Off

Production at Cournor Mining Co. for July amounted to $48,998 from 6,254 tons, an average of $6.83 per ton and 202 tons a day. This compares with June output of $47,160 from 6,526 tons milled, an average of $7.23 a ton and 218 tons daily.

Average grade of all ore sent to the mill from the Creek ore zone in the Cournor shaft has been 0.14 oz., the company states. This figure includes a large proportion of development ore. To date the average grade of ore from stopes opened in this zone has been approximately 0.16 oz.

This new ore consists of flat-lying lenses which have been located over an area of 750 ft. in length and 250 ft. in width on the 650-ft. level. Since completion of a large raise from the 650-ft. level to surface, in April, sublevels have been opened up in this zone; but to date only a small part of the area has been crosscut on these new levels. Larger part of the work in the Creek zone is still confined to the 650-ft. level.

In the Beaufor mine, development work located two new but small veins on the 400-ft. level. Ore reserves in the Beaufor shaft are small but location of these veins replaced all tonnage mined during July.

To Hit 750 ft. At McMarmac By Sept. 15

Deepening of the main shaft at McMarmac Red Lake Gold Mines had reached a depth of about 40 ft. below the 600-ft. level at the middle of August with progress being made at the rate of 20 ft. a day. It is expected that the objective of 750 ft. will be reached around Sept. 15.

Two levels are being opened up at 150-ft intervals. Previously levels had been established at 160, 300 and 450 ft. It is planned to explore the downward extension of the southwest carbonate. The carbonate zone southwest of the original shaft, which lies 900 ft. from the main shaft, will also be investigated.

On the 450-ft. level, approximately 210 ft. of ore had been indicated in the southwest carbonate zone up to July 9. A raise was put through to the 300-ft. level, adding another 5,066 tons to probable ore reserves.

Laguerre Shaft Now Past 100

The shaft at Laguerre Gold Mines recently passed a depth of 100 ft. on its way to an objective of 280 ft. It is expected that this depth will be reached by year end when 600 ft. of lateral work will be done at a level to be establishd at 250 ft.

Diamond drilling indicated an ore shoot 300 ft. long grading about $7 per ton across widths from 20 to 25 ft. No. 29, the deepest hole, intersected the body at a depth of 460 ft. and returned 27 ft. of $8.05. Exploration of the syenite dyke in which the ore shoot occurs, it is felt, may result in other disclosures.

Funds for the programme have been supplied by an offering of rights to shareholders, at 25 cents a share. Included among shareholders are Anglo-Huronian, Prospectors Airways, Coniagas, Mining Corporation, Northern Canada, Transcontinental Resources, Connell Mining and Exploration, Cyril Knight Prospecting Co. and Proprietary Mines.

Mining Concentrates

Morris Kirkland Gold Mines production showed a decline in tonnage but an improvement in per ton recovery in July:

1941:	Tons milled	Tons daily	Recov. per ton	Total recov.
July	1,308	42	$8.79	$11,500
June	2,297	77	5.44	12,490

* * *

New Ribago Mines is informed by W. A. Gamble, mine manager, that diamond drilling has begun on the property in Beauchastel and Rouyn townships, Quebec. A long hole is being put down to intersect a high-grade copper showing on block 107, previously unexplored. The mine manager's wire reported that a mineralized carbonate zone had been uncovered from 8 to 17 ft. wide which pans gold freely. Trenching will proceed immediately to extend the length of the discovery. James Loblaw is now president.

* * *

Naybob Gold Mines' production for the first 11 months of the current fiscal year amounts to $526,836 from 51,200 tons for an average recovery of $10.29 per ton. This compares with output of $474,918 from 46,795 tons, an average of $10.15 per ton, in the corresponding period of the previous fiscal year. The fiscal years ends Aug. 31.

* * *

Orpit Mines reports that the latest drill hole at the property in Bristol township, which winds up the current drilling programme, has encountered the ore zone at a depth of 600 ft. Known as No. 41, the hole was still in the zone at 615 ft. with drilling continuing. This extends the ore zone an additional 100 ft. for a total length of 575 ft. since the drilling began in January.

* * *

Privateer Mine's production for the month of July showed an increase in grade and tonnage over the previous month:

1941:	Tons milled	Tons daily	Recov. per ton	Total recov.
July	2,756	89	$30.89	$85,136
June	2,643	88	30.34	80,179

* * *

Sand River Gold Mining Co. reports that July production consisted of 818 ozs. of gold, including 49 ozs. from a clean-up of one of the furnaces. The company treated 2,478 tons of ore during the month, representing a value of $31,103, compared with $32,197 in June and $31,616 in July, 1940.

* * *

Sylvanite Gold Mines is making an advance of about 100 ft. a month in sinking the internal shaft from the 3,150-ft. level to a depth of 5,100 ft. The shaft has now passed a depth of 3,600 ft. The objective should be reached in a little over a year's time.

* * *

Sturgeon River Gold Mines production was somewhat lower in July:

1941:	Tons milled	Tons daily	Recov. per ton	Total recov.
July	2,056	66	$21.35	$43,894
June	2,101	70	22.35	46,954

* * *

Uchi Gold Mines production for the second quarter of this year showed an increase in total recovery despite a lower tonnage milled:

Quarter ended: 1941:	Tons milled	Tons daily	Recov. per ton $	Total recov. $
June 30	63,968	703	5.79	370,687
Mar. 31	69,682	774	5.30	369,635

* * *

West Shore Gold Mines has called a meeting for Aug. 30 in Montreal to consider a refund of 500,000 shares to West Shore Malartic Gold Mines. This is a portion of the consideration received for sale of mining property and assets to that company in 1936.

* * *

Wesley Gold Mines, it is understood, will be subjected to a programme of diamond drilling in the near future.

Mining Enquiries

Rand Malartic

I would like your comment on Rand Malartic. Is it a buy? Is there any chance of work being done on it?

—

Prospects for further work on the property of Rand Malartic Gold Mines appear brighter now for two reasons. Malartic Gold Fields has been securing interesting new diamond drilling results to the west of its property (or in the direction of Rand Malartic) and this suggests that Rand ore possibilities may be somewhat greater than previously thought.

In the second place, East Malartic Mines has been securing excellent diamond drilling results close to the Rand Malartic property and there is a good chance of something being opened up on the extension of the new East Malartic zone.

Exploration on the Malartic Gold Fields property is still a long way from the boundary of Rand but the important factor still seems to be that the main greenstone belt that extends through the East Malartic and Malartic Gold Fields property apparently extends through Rand Malartic which is sandwiched in between.

Diamond drilling on the Rand Malartic property in the past gave isolated drilling intersections of interest but no definite ore body was outlined. The north and south contact zones were fairly well investigated but it is now known, of course, that the area within the greenstone belt itself is important for the finding of ore bodies as well as the north and south contacts of the greenstone belt.

Wright-Hargreaves

I would like some facts about the Wright-Hargreaves Mine. I own 400 shares, the dividend of which is my main support.

If you were in my place would you take a chance of the dividend being paid as usual or sell now for the present price which is only half what it was one year ago?

—

Wright-Hargreaves Mines has declared a 5 cent extra along with the regular 10 cent dividend, making a total of 45 cents in Canadian funds distributed so far this year.

Until directors make a full statement and until a new examination of the mine, just undertaken, is completed, it will be impossible to measure possibilities with any confidence.

At the end of August last the mine had sufficient ore in reserve for three and a half years operations. On the basis of per share earnings in the latest fiscal year this ore represents a net realizable profit of approximately $270 a share. Working capital last August in addition was equal to about 80 cents a share, giving a total minimum break-up value of $350 per share.

The company has a large mine, of course, and routine operations may be expected to yield a large tonnage of ore in addition to that actually rocked out. This is in accordance with the experience of most large mines.

Hayes Cadillac

I have 5,000 shares in street form in Hayes Cadillac Mines. It is neither here nor there that these shares were sold to me over long distance telephone, contrary to the regulations under the Securities Act, immediately before the market dropped to practically nothing.

I am informed that there is something moving in connection with this company now.

—

Hayes Cadillac shareholders have approved distribution of 187,650 pooled shares of Winchester Larder Mines Ltd. on the basis of one Winchester for each 10 Hayes Cadillac.

The distribution will be effected, it is understood, by cancelling one tenth of the Hayes Cadillac shares outstanding and replacing the cancelled shares with those of Winchester Larder. The new shares will be held in escrow until Winchester is fully financed.

As Hayes Cadillac still holds the property adjoining Lapa Cadillac in the Quebec gold mining area, it is not intended to wind up the company yet. The company received 250,000 Winchester shares and $7,000 cash in consideration for the Larder Lake property. Most of the cash and 62,450 of the shares, it is understood, will be required to retire debts incurred during the past several years.

Naybob

I would like your comment on Naybob. What progress is there on work at this property?

—

The large programme of shaft enlargements at Naybob Gold Mines has interfered somewhat with normal developments and this condition may continue for some time as plans call for deepening of the shaft from 700 to 1,550 ft. for the opening up of a new block of five levels.

After sinking is completed, however, lateral exploration is to be extended both at depth and on the upper horizon in an effort to place the mine in a position to justify an increase in mill capacity. Equipment installed is oversize and a major expansion of mill capacity would not entail any great cash outlay.

Say Bralorne Is In On New Gold Rush

From Our Own Correspondent

VANCOUVER.—Bralorne Mines is reported to be one of the first of the larger mining companies to become a direct participant in the gold rush into the Yalakom district of British Columbia.

Although head office would not confirm the details, Lillooet correspondents declare that Bralorne has staked 200 claims close to the ground where spectacular ore was first discovered by the White-Illedge syndicate and has paid $52,000 to Ben Cromer on a two-year development agreement. The Cromer claims are adjacent to the discovery claims.

Consolidated Mining & Smelting Company has also had engineers in the Yalakom field.

Prest. E. Dome Now Well Into High Grade

Preston East Dome Mines is now well into the high-grade ore body indicated by diamond drilling below the ninth level last year and at last report was approaching drill holes U-708 and U-713 on the main drive east at the 11th (1,300-ft.) level.

One of these holes gave a core length of 111 ft. averaging 0.54 oz. uncut or 0.24 oz. cut, while the other gave 90 ft. of core, including 12 ft. of 0.6 oz., 17 ft. of 0.51 oz. and 15 ft. of 0.59 oz. grade.

At the 10th level, where hole U-706 gave an average of 0.25 oz. uncut or 0.21 oz. cut for 174 ft. of core, an advance of 161 ft. had been made at the end of July bringing the total for this main drive east to 439 ft. A strong footwall ore section was developed totalling 125 ft. in length and averaging 0.34 oz. uncut and 0.30 oz. cut from muck samples and 0.58 oz. uncut and 0.36 oz. cut from channel sampling.

In the annual report, it was stated that no development other than diamond drilling was contemplated below the 9th (1,050-ft.) level, until a new 8-ft. hoist was installed. Development is under way, however, on the 12th level at 1,425 ft. where a total advance of 121 ft. had been made in the main drive east at the end of July.

Drifting on Fourth

Drifting on the 4th level during the month of July resulted in 98 ft. of ore being developed assaying 0.70 oz. uncut and 0.27 oz. cut from muck samples, and 0.08 oz. uncut and 0.08 oz. cut from channel sampling. Another length of 80 ft. was opened up at the same horizon running 0.15 and 0.10 oz. from muck and channel samples respectively. A test hole put out to the south 416 stope gave one intersection of 0.40 oz. over 30 ft.

Production last month only drew 4.7% of mill feed from levels below the 675-ft. horizon and development was still under way at these levels as early as February of this year. Over 70% of millfeed was drawn from the 2nd, 3rd and 4th levels. The 601-W stope provided 4.2% of millfeed, averaging 0.74 oz.

Production for July averaged $11.62 to the ton as compared with $12.73 for the first six months of this year and $13.32 for the whole of 1940. Ore reserve grade at year end was $9.86 with gold taken at $38.50 per oz.

May Offset Loss

It will be recalled that maintenance of mill grade above the sampled average of the ore bodies was explained some months ago by means of the addition of high grade, by non-use of some of the lowest grade ore areas, and by sorting. The high-grade stope has been mined out, but extensions to other stoping areas may partly offset this loss. An average of approximately 86 tons daily was sorted out during July, as compared with around 50 tons at the first of the year.

Operating costs in July amounted to $5.37 a ton as compared with $5.40 a ton in the preceding month. On this basis the company should show an operating profit of around $100,000 per month. Indicating the extensive programme of development being carried on, development costs amounted to $1.86 per ton in July, not including diamond drilling. In the year 1940, development, including diamond drilling, amounted to $1.15 per ton.

1,000 Tons Next Year

It appears that it will be somewhat later than the end of the year before the mill addition is completed and production put on a footing of 1,000 tons daily. Deliveries on certain materials are uncertain. Despite the threat of priorities, however, the company has been able to obtain steel for the new hoist room. Curtain walls of the mill extension have been poured and most of the foundations for tanks, bins and some of the machines have been completed.

Capital expenditures to the end of July totalled $141,952. Some of the main items included in this total were: $13,723 for a 2,200-volt outdoor substation (70% completed); $20,000 for mill extensions. In addition, an 840-gallon fuel oil tank was installed under the surface behind the steel shop, cutting cost of fuel by one cent a gallon.

Development Hits Surf Inlet Net

Net profit of $66,354, equal to 2.4 cents a share, is reported by Surf Inlet Consolidated Gold Mines in the fiscal year ended June 30, 1941. This compares with net profit of $122,393 or 4.6 cents a share in the previous fiscal year.

Production amounted to $595,577 from 39,643 tons milled, an average of $15.02 per ton and 109 tons per day. In the 1939-40 fiscal year production was $496,479 from 34,295 tons, an average of 94 tons a day and $14.48 a ton.

Decline in net profit is attributable to $21,499 more being expended on diamond drilling, $65,923 more on current development, and an increase of $21,670 in depreciation and depletion charges.

Week in Oils

From Our Own Correspondent

CALGARY.—The north extension of Turner Valley, chief immediate hope for expanded Alberta oil reserves, moved into the limelight again this week with news that the Imperial Oil group will get its first drill-test under way shortly.

Imperial has staked location for its Foothills No. 10 well in lsd 2-4-21-3w5, quarter of a mile east of the sensational new producer, Miracle Royalties No. 1. In Foothills No. 10, the Imperial Group has swung a full mile and a half northwest of its former most northerly Turner Valley venture, and has moved into an area whose development burden in the past has been borne by the Home Oil Co., the Clifton C. Cross interests, Major Oil Investments Ltd., the A. H. Mayland interests and the Commonwealth Pete Group.

To the independent operators who have been pioneering development in the North Extension, the new Foothills location represents more than a mere offset well to a new large producer. To them the new site suggests that Imperial Oil geologists are now swinging their views on possibilities of the North Extension closer in line with the highly optimistic views of Dr. J. O. G. Sanderson, whose reports were in a large measure responsible for the successful development to date in this area.

* * *

The Argument

As recently as the first part of this year, limestone contour maps of Turner Valley issued by the Alberta Department of Lands & Mines and by well-known geologists, showed the main fault which delimits Turner Valley on the east, cutting off the lime at just about the point where Miracle recently obtained big production, and found no evidence of the Fault. The fairly general conclusion was the probable most northerly oil productive point was a short distance north of Alberta Oil Incomes No. 2.

Sharply contrasting with this was the view of Geologist Sanderson that the east fault lies considerably east, that Alberta Oil Incomes No. 2 was away down the west flank of and nowhere near the crest of the structure, and that a broad and long productive stretch of limestone lay far to the north and west of the then generally accepted "productive limits."

Which theory is most nearly correct will be known in a few weeks, by results at the Major Nos. 2 and 3 wells. The outcome is of tremendous importance to the Turner Valley development outlook.

* * *

May Move North

The producing area may be pushed a quarter of a mile north of Alberta Oil Incomes No. 2 within the next three weeks. Ace Royalties No. 1, key test in lsd 5 4-21-3w5, has topped the Madison limestone at 8,355 feet, and has run production string of casing.

* * *

Still Roaring

The recently completed Miracle Royalties No. 1, quarter of a mile east of Incomes 2, is continuing on production under very strong back pressure, despite which it is producing more oil than any other well in the field. Production in the 24 hours ended 8 a.m. Monday was 904 bbls. Additional tankage is now being installed to permit opening up for a flow rate test.

* * *

To Grease Creek?

The Northwest Company, development of subsidiary of Imperial Oil, is expected to announce in the very near future location for a new drill-test of the Grease Creek structure, about 45 miles northwest of Calgary. It is understood it will be close to the old Grease Creek-Northwest No. 1 well, put down lsd 2 13-29-7w5. Drilling will be financed by Northwest, with Grease Creek Petroleums retaining a gross royalty.

Northwest Co. and Grease Creek Pete drilled a joint venture in this field to 7,020 feet, but was abandoned due to mechanical difficulties. It is understood that this well logged satisfactorily, with bottom at 7,020 feet.

Diamond Drilling Queenston Gold

Diamond drilling is under way on the property of Queenston Gold Mines, adjoining Upper Canada to the south in the east Kirkland Lake area. In an area 1,500 ft. in length, previous diamond drilling and underground work indicated promising conditions.

This company was formed early this year to take over the three southern claims of Upper Canada, the two Elliott claims (formerly the Anoki property) and the Murphy Mines claims, comprising 13 claims in all or approximately 520 acres in the block. Management is under the direction of Upper Canada.

Authorized capital of Queenston Gold Mines is 2,500,000 shares of which 1,100,000 shares were to be allotted for properties as follows: Murphy Mines, 500,000 shares (or one new for eight old); Upper Canada Mines, 250,000 shares for three claims, and Robert Eliott, 250,000 shares for two claims.

In addition, 40,000 shares were to be issued to Murphy Mines at 25 cents a share for cash assets. Upper Canada has firmly underwritten 100,000 shares at 25 cents a share. Over a period, Upper Canada purchased 435,990 shares of Murphy Mines at 3 cents a share, in order to ensure control of the new organization.

On the Upper Canada properties taken over, it is stated, there is an important ore structure with gold showings. The two Elliott claims are crossed by the Upper Canada ore zone and have had considerable diamond drilling done.

NORTH BRITISH GOLF BALLS

DIRECT FROM BONNIE SCOTLAND!

Perfected Product of Scottish Skill

Scotland's most skilled designers and expert workmen have made the North British Ball what it is today—the ball you can absolutely depend on for greater yardage, greater accuracy, greater controllability.

Make your next 18 holes a game to be remembered — play North British Golf Balls!

NORTH
IMPORTED from SCOTLAND
BRITISH

NORTH BRITISH RUBBER CO. LIMITED
284 King St. West Toronto

NATIONAL • STEEL CAR Corporation Limited

AIR CRAFT DIVISION at Malton, Ontario
• Fully equipped for manufacture and production of the most modern aircraft

Modern Builders of Railway Passenger Cars—Freight Cars—Snow Plows—Street Cars — Air Dump and Industrial Cars of all descriptions. Automobile Chassis frames and Parts — Steel Pressings — Forgings — Drop Forgings.

Manufacturing Agents for LaPlant-Choate Mfg. Co. Inc., Cedar Rapids, Iowa, leading manufacturers of tractor equipment for earth and snow removal.

Head Office: HAMILTON, ONT.
Sales Office: 437 St. James Street
Montreal, Quebec

A Clearing House of Information
FOR CANADIAN INDUSTRY

• For more than fifty years, Canadian Pacific has been servicing Canadian industry. In that time, we have accumulated a vast store of information bearing on every phase of industrial activity—raw materials . . . skilled and unskilled labour . . . marketing . . . distribution . . . taxation . . . power . . . transportation . . . and branch plant location. The problem which is bothering you now may have been solved by some other industry . . . in some other place. If so, the chances are we have all the facts in our files. This information, and our facilities for first hand study and research, are available to you—gladly and without charge. Your inquiry is invited.

FINDING MEN, MATERIALS and LOCATIONS for Canada's expanding war industries is a field in which we can be of great assistance to any manufacturer.

Canadian Pacific
DEPARTMENT OF INDUSTRIAL DEVELOPMENT
MONTREAL • TORONTO • WINNIPEG • VANCOUVER
"DEDICATED TO CANADA'S PROGRESS"

What the War is Doing to Base Metals

Co-ordinated Programme With U. S. Makes Vast Demand

By GORDON M. GRANT
Staff Writer, The Financial Post

Is there a boom coming in base metal stocks and in base metal mining activity?

The war has produced a fundamental change in the background of base metals. It has been reflected in recent weeks by gradually rising prices on base metal shares—a rise that has been more noticeable than for most other groups of stocks.

Even gold stocks—although they have been strong—have been eclipsed by the impressive strength of such issues as Consolidated Smelters, Nickels, and juniors such as Waite Amulet, Normetal and Sherritt Gordon.

Seeking the Cause

What is the cause of the present market trend?

Metal prices still are fixed and managements may still be fairly well satisfied with the size of productive plants. But in spite of this an important new factor has entered the picture. The United States is asking Canada to step up its production of base metals through the Materials Co-ordinating Committee. The United States needs more raw material for its armament programme. The United States would rather have Canada emphasize production of base metals than production of gold.

Already there have been tangible indications that the United States means business. International Nickel Co. of Canada is going to spend the immense sum of $25-$35 millions to expand capacity. This sum alone would be enough to finance 25 new gold mines. Falconbridge Nickel is also expanding output. In each case the management is carrying out the expansion voluntarily.

Not a Coincidence

It is no mere coincidence that the Canadian members on the joint Materials Co-ordinating Committee are George C. Bateman, Metals Controller, and H. J. Symington, the Power Controller. Mr. Bateman has the power to see that the official will is obeyed as far as mining is concerned. He has the power to take over and operate mines himself if necessary; to undertake expansion if he considers it essential. Mr. Symington has the authority to make power available to secure production of raw materials. Undoubtedly Mr. Symington will have to provide much extra power for production of aluminum alone. Both Mr. Bateman and Mr. Symington know what Canada can and can't do in metals and power, respectively.

From the announced scope of the United States armament programme (a bomber industry as big as the automobile industry; a tank industry as big as General Motors; a shipbuilding industry to turn out as many ships as the rest of the world in normal times), it seems obvious that the peak demand for metals is far from reached yet. And already shortages are making themselves felt extensively as priorities on various metals are progressively tightened. The U. S. arms programme is to cost in the neighborhood of $50 billions — more than the present national debt of the United States.

Part Canada to Play

Canada's part in the U. S. programme will probably be producing more and more raw materials. It appears certain that the emphasis will continue on base metals. International Nickel expansion is probably only a starter. Consolidated Smelters has been carrying on a large expansion programme which has been shrouded in secrecy. Smelters metal stockpiles have recently been taken over by the United States Metals Reserve Co. and there appears little doubt that stockpiling will be a thing of the past as far as Consolidated Smelters is concerned for the rest of the war.

Nickel has so far received chief attention in the Canadian effort to help supply the United States war machine. Zinc and copper, however, are only slightly less important than nickel to the United States. There is a definite shortage of zinc. The United States needs further supplies badly. Waite Amulet is adding 300 tons a day to its capacity as its contribution to solving the zinc bottleneck. No profit at all is anticipated from this extra production, Waite Amulet officials state. The output will be marketed under long term contract.

Potential Zinc Producer

Waite Amulet is not the only company that can help in producing zinc. There is no zinc refining capacity in eastern Canada but zinc concentrates can be produced without too much difficulty. Normetal is already turning out an important quantity, besides Waite Amulet in Quebec. Sherritt Gordon Mines has an important zinc content in its ores and a large near commercial production of zinc concentrates could be secured if extra power were available. It is understood that size of the Hudson Bay Mining and Smelting power site sets a present limit on expansion in this northern Manitoba mining field. Higher cost power might be used, however, to aid the war effort. Perhaps Mr. Symington will be able to increase the power supply in this neighborhood.

Turning back to Quebec, Normetal Mining Corp. has been producing at a higher rate recently and development results at depth suggest that even further expansion may be in order. This would increase output of copper along with the output of zinc just as expansion at International Nickel and Falconbridge Nickel will increase copper output at those mines. Investigation of the old Bruce copper mines is being carried out in Ontario with a view to increasing copper output.

Situation at Noranda

Noranda Mines has been increasing slightly tonnage of ore milled, but so far The Financial Post has heard of no plans for major expansion. The situation at Noranda is this: Further expansion would have to be of major proportions as the present plant has been carried fairly well to its economic limit; the size of mine indicated is fairly well reflected in the present productive plant. However, war may possibly lead to expansion even at Noranda before the war is over.

Aldermac Copper Corp., Base Metals Mining Corp. and a number of other small producers are not expected to increase capacity. Zincton Mines out in British Columbia, however, is increasing capacity from 175 tons to 250 tons daily.

To Open New Mines?

So far expansion in output has been limited to mines already producing or which have been reopened after being shut down for a time. No new mines have been developed or placed in production to help meet the situation that is rapidly arising. As reported by The Financial Post some time ago there are numbers of properties across Canada that might be placed in production as a war effort. Consolidated Smelters, for instance, has other base metal mines which could be developed to turn out larger quantities of lead, zinc and copper if the necessity was great enough. Ventures, through Frobisher Exploration Co., is examining the Calumet deposit on Calumet Island in the Ottawa district. This is one of the undeveloped properties that might become a producer of lead and zinc. Drilling showed a medium tonnage of fair grade ore. Another property in the same category is the Sudbury Basin holding in the Sudbury district which might be developed to the production stage if a financing basis could be arrived at. Nickel Offsets, also in the Sudbury area, has embarked on a programme of underground development following diamond drilling which indicated good tonnages of nickel-copper ore.

Open Old Inco Mines

International Nickel will probably be opening a number of mines which have been closed down for years even though Inco officials have followed a policy of having mines well prepared ahead to meet any calls for greater production.

The United States, perhaps the world's greatest producer of iron ore, is now looking to Canada to augment her supplies. Canada is known to possess great iron deposits but most of these are low grade. An important exception is the great hematite deposits of Steep Rock Iron Mines near Atikokan, Ontario. Steep Rock sources state that capital for development has been assured if other problems are satisfactorily ironed out. The company has secured classification as a war industry.

Some time ago Finance Minister Ilsley stated in the House of Commons that Steep Rock was not regarded as a war effort due to the length of time required to bring the deposits into production. Apparently official views have been changed due to the pressing need for good iron ore and the lack of indications of a quick collapse of the Axis powers. How great a production could be achieved initially is hard to conjecture. It would depend a great deal on power and the amount of money financing interests are ready to advance.

See Long Struggle

The way in which exploration for other iron sources is being tackled suggests that the United States expects an increased tempo of production for quite some time to come. New iron mines cannot be placed in production overnight. In some ways it takes longer to develop a mine in wartime than peacetime. There are long delays now in getting deliveries of equipment. Pretty soon, too, getting a supply of skilled labor may be a problem of first importance.

Last week The Post reviewed a number of places iron is being sought. Probably the old Josephine mine being investigated by Frobisher Exploration Co. could be placed in production most readily if it should respond to present development.

How Companies Will Fare

Investors, of course, are interested in what mining companies are likely to get out of extra production. Excess profits taxes take away most of any gain, it is true, but there are a few factors that work in the mines favor. First of all, mines have an allowance of 33 1/3% of profits as depletion. Since base metal mines have a generally longer life than gold mines, the depletion is even more important to the base metal producer than it is to a gold producer. Besides having a third of any extra profit exempt from profits taxation — both excess profits and corporate taxation—the base metal producers are expected to be allowed to write off the cost of new plant more rapidly than normally. It is realized that the extra plant may be useless after the war and that expansion of the mines is being carried out as a patriotic gesture and not primarily for profits.

Postwar Prospects

What value extra capacity will have after the war is hard to determine now. One base metal company executive with whom The Post was talking recently fears that the world will be faced with a flood of secondary armament — liquidated metal after the war. This is possible but so is the prospect that reconstruction may require a large part if not all the metal thus liquidated.

This is becoming more and more a metals age and if our ability to produce metals is greatly increased, so too may be the outlets. Competition between various metals may be a new phenomenon after the war. Great new aluminum productive capacity may tend to crowd out copper in the electrical field, but authorities believe, however, that research work will reveal many new uses for copper.

It is interesting to recall the experience of International Nickel Co. after the last war. Nickel had practically no peacetime uses when peace came then and great productive facilities built up appeared practically useless. But new uses were gradually developed and even the wartime facilities of the company could not take care of peacetime demand. Finally much more nickel was being used in peacetime than had ever been used in wartime.

Temporary maladjustment in the base metal field appears almost certain after the war unless skilful planning is done ahead. The important long run factor, however, appears to be that base metals must always be used in industry and the trend for a century has been toward use of more rather than less metal.

Mining Concentrates

Arntfield Gold Mines reports that good hopes are entertained that the ore encountered by drilling between the 675 and 825-ft. levels of No. 3 shaft may be picked up on the 825-ft. horizon. Where first opened up on the 675-ft. level, this agglomerate ore at No. 3 shaft showed a width of 4 ft. averaging $20 to the ton. Drilling below the level showed 61 in. averaging $11.16 to the ton. Two bodies of ore have now been cut in the 775-ft. level crosscut. The first showed an average of $6.45 across 7 ft. 8 in. The second, which is stated to be second of three ore zones indicated by drilling, showed 13 ft. averaging $6.40 as a result of assays from the crosscut and from a short diamond drill hole ahead of the face.

* * *

Avalard Mines Ltd. reports the No. 3 hole is nearing its objective of 450 to 500 ft. This hole is being drilled to intersect the east-west striking quartz vein which showed a length of 500 ft. and widths of 6 to 12 ft. on surface, it is stated. The property is located in Gauthier township, Kirkland Lake area, about a mile east of Upper Canada. Finances are being supplied by Buffalo Canadian Gold Mines.

* * *

Beattie Gold Mines has declared a dividend of four cents a share payable Sept. 23 to shareholders of record Sept. 9. Last previous payment was four cents a share on June 18, 1941.

* * *

Camp Bird Mines, a new company, has been formed under Quebec law to acquire the assets and undertaking of Dorval-Siscoe Gold Mines. A total of 860,000 shares out of the new company's authorized capitalization of 3,000,000 shares will be issued to Dorval-Siscoe and these shares will be distributed on the basis of one Camp Bird for each five Dorval held. Camp Bird Mines shareholders of record Sept. 2 are offered the right to subscribe for additional shares at eight cents each on the basis of one share for each two shares of Camp Bird held. Subscription privilege expires Sept. 10.

* * *

Coniaurum Mines has declared a dividend of four cents a share payable Sept. 25 to shareholders of record Sept. 12. This makes a total of 12 cents a share distributed so far this year.

* * *

Canadian Malartic Gold Mines has declared a dividend of two cents a share payable Sept. 26 to shareholders of record Sept. 5.

* * *

Delpine Mines is making financial arrangements to permit a programme of exploration on its property in Deloro township, to the west of Faymar and Jodelo.

* * *

East Geduld Mines, in which Dome holds 30,000 shares, paid a dividend of 6s.3d. in June as compared with a disbursement of 7s. a share in Dec., 1940.

* * *

Francoeur Gold Mines' July production was up over the preceding month:

1941:	Tons milled	Tons daily	Recov. per ton	Total recov.
July	6,232	201	$7.76	$47,438
June	6,252	208	7.50	46,874

* * *

Yama Gold Mines expects that the mill and underground preparation will be completed in time to permit production by the first week in September. Installing electric motors and connecting up equipment is now proceeding. Hydro electric power is being used for all purposes. R. W. Brigstoke, consulting engineer, left for the property Monday. At the 375-ft. level, a length of 87 ft. in the "EW" north zone ran 0.483 oz. or a cut grade of $14.81 over a width of 4.25 ft. Results on work at the "A" zone on the 250-ft. level are expected to be available this week.

* * *

Falconbridge Nickel Mines has declared a dividend of five cents a share payable Sept. 29 to shareholders of record Sept. 9. This makes a total of 15 cents a share distributed so far this year against 7½ cents in 1940.

* * *

Gold Eagle Gold Mines assets amount to roughly $200,000, including cash and stores, plus any amount that might be realized from the sale of equipment, shareholders were told at the annual meeting. The company will continue milling as long as there is any profitable ore to be taken out, it was stated. Mining operations at present are being carried on only above the 500-ft. level.

* * *

Giant Yellowknife Gold Mines reports that a 25-ton ball mill has been delivered at the property located on Yellowknife Bay, Great Slave Lake section, N.W.T.

* * *

Hugh-Pam Porcupine Mines has begun a programme of diamond drilling on its property adjoining Bonetal Gold Mines on the west. Drilling is designed to prove continuity of a zone between two shafts, some 1,800 ft. apart.

* * *

Jack Waite Mining Co., Coeur d'Alene district, Idaho, had net smelter return of $163,940 in the first six months of this year.

* * *

Lake Shore Mines has declared a dividend of 35 cents a share payable Sept. 15 to shareholders of record Aug. 30. Payment is subject to approval of the Foreign Exchange Control Board.

* * *

Lake Geneva Mining Co. is tuning up its plant in the Sudbury area in preparation for resumption of operations. The company has made a contract for marketing the lead and zinc concentrates in the United States. Towagmac Exploration Company held 487,834 shares in Lake Geneva, a lead-zinc-silver proposition, at last report.

* * *

Nabco Manganese Mining Co. announces that finances have been secured for the concentrating unit to be erected at the property near Elgin, New Brunswick. It is expected that mill construction will be completed by Oct. 1. Most of the milling equipment is already at the mine, President G. F. Nablo states, and work on the mill building foundations is under way.

* * *

Upper Seine Gold Mines reports new zone has been discovered from which three chip samples gave $8.25 over 10 ft., $5.77 over 7.5 ft. and $3.08 over 15 ft.

Designers and Manufacturers of

CONVEYING AND ELEVATING EQUIPMENT
MODERN POWER TRANSMISSION EQUIPMENT
COAL AND ORE HANDLING BRIDGES
WELDED PROCESSING EQUIPMENT
STEAM GENERATING EQUIPMENT
BALDWIN-SOUTHWARK HYDRAULIC PRESSES

We Invite Your Inquiries

UNITED STEEL CORPORATION LIMITED
TORONTO . WELLAND — DODGE MANUFACTURING DIVISION — CANADIAN MEAD MORRISON — MONTREAL . WINNIPEG

Inquiries invited regarding Canadian Industrial and Mining Investments. We specialize in the Dividend Paying Gold Mines and in new gold mining properties under present active and encouraging development.

A. E. OSLER & COMPANY
Established 1886 Members The Toronto Stock Exchange
Osler Bldg., 11 Jordan St. Phone ADelaide 2431

OIL ROYALTIES

Enquiries Invited

McDERMID, MILLER & McDERMID, LIMITED
Investment Dealers
609-525 Seymour Street, Vancouver, B.C.

Pascalis Drills Second Hole

Pascalis Gold Mines is drilling a second hole from the Perron drift at the 1,500-ft. level to crosscut the formation picked up recently in a drill hole from the same horizon. The first intersection was cut in a hole drilled south from the Perron drive which is running parallel to the Pascalis north boundary.

Development of the new showing will not be begun immediately. The drive has about 330 ft. to go to reach the west boundary and the ground in between may prove worth exploring.

On the other levels at 825, 1,025 and 1,250 ft. headings have advanced approximately the same distance as the one at the 1,500-ft. level. Crosscutting started out northwest from the shaft which is located less than 900 ft. from the west boundary. The drives are now approaching that section of the granodiorite where numerous veins were encountered in a series of vertical drill holes.

Wilson Red Lake Gold Mines is presently carrying on a diamond drilling programme on its property consisting of 22 patented claims in the East Bay section of the Red Lake area. Funds are on hand, it is stated, for a considerable amount of drilling. Parallel holes will be put down to a depth of seven or eight hundred feet in an attempt to determine the position and character of the granite greenstone contact zone along a length of about 4,000 ft.

The Canadian refinery of The International Nickel Company of Canada, Limited.

CANADIAN NICKEL
IN 'ALL-OUT' WAR EFFORT

THIS VAST, 12-ACRE AMPHITHEATRE in the International Nickel Company's Canadian refinery is doing its part in speeding Empire production. In its row on row of concrete tanks filled with bright green liquid, the final operation in purifying the Nickel from Canadian mines is performed.

Down each long aisle glides a great bridge-crane. One after another, the 480-pound anodes of partially refined Nickel are lowered into the tanks. Steadily, silently, unceasingly, electricity performs its magic. A few weeks later, cathodes of pure Nickel are lifted from the tanks and rushed to the mills, foundries and factories of Canada, the Empire and the United States.

For twenty-four hours each day, three shifts of Canadian workmen, united in loyal service to the Empire, keep this plant at its peak of production. The mighty crushers and ball mills grind onward without ceasing. The inferno of the furnaces knows no pause. For Nickel, so essential to make peace-time machinery tough, strong, hard, rust-proof, is needed more than ever to forge better and better war machines for our fighting forces.

Canadian Nickel today is not only a national asset... it is vital to the defence of the Empire.

NICKEL MONEL

THE INTERNATIONAL NICKEL COMPANY OF CANADA, LIMITED
25 KING STREET WEST, TORONTO

You Serve by Saving—Buy War Savings Stamps and Certificates Regularly

Seven Miles High, Air War Goes Medical

The Air "Kills" at Only 35,000 Feet Because of Rarity

By RONALD A. KEITH
Editor, Canadian Aviation

Seven miles high, the war in the air becomes a battle of scientific ingenuity. The news that Flying Fortresses, Short Stirlings and other winged dreadnaughts are laying their "eggs" on the Reich from 37,000 feet plays the spotlight on the research scientist's battle line.

Canada's aviation research battalions are in the forefront. They are commanded by the successors to the late Sir Frederick Banting, by the Medical Directorate of the R.C.A.F., and by the National Research Council's Associate Committee on Aviation Medical Research.

A man bailing out at 35,000 feet without special equipment would be dead in a few seconds. An air crew operating in the substratosphere without heating provision would shortly have the efficiency frozen out of them. The engines of any plane venturing above 30,000 feet would die from oxygen starvation without superchargers.

Thus the problems of research are clear cut. The scientist's job is to devise training and equipment for air crews and develop engine accessories to eliminate the hazards to efficiency in the upper air.

Pressure to One Third

The pilot, observer and air gunner of a bomber crew enter their aircraft clothed to protect themselves against the cold which becomes intense at higher altitudes. They are equipped with helmets, earphones, oxygen masks, microphones, parachute packs, etc., all necessary to ultimate efficiency.

As the bomber climbs to 30,000 feet, air pressure is reduced to approximately one third of the normal atmosphere. This pressure reduction, plus loss of oxygen, accompanied by a temperature drop to about 50 degrees F. below zero, would seriously interfere with the mission were it not for the advance solution of the medical problems involved.

Other factors, such as aeroembolism (formation of nitrogen bubbles in the blood), the possibility of altitude fear, fatigue caused by noise, vibration and constant strains on the eyes, etc., may influence the success of the expedition. There is also the prospect of air-sickness, which in some respects resembles sea-sickness and is brought about by things like bumpy flying, tail-whips, nauseating engine fumes, etc.

Fighter pilots, in addition to all these hazards, encounter "blackout" or loss of consciousness caused by abnormal accelerations of gravity in pull-out from dives or in extremely tight turns.

Work Since 1940

Particularly since the spring of 1940, studies and experiments on the effects of high altitude on personnel have been progressing in this country as the experiences of combat have indicated the specific and urgent problems.

The use of a special low-pressure, low-temperature chamber where men can be exposed to all the atmospheric conditions of high altitude flying has been instrumental in advancing aviation medical research in Canada.

Such problems as oxygen starvation, low temperatures, and altitude fear, for example, have been studied intensively.

Oxygen Equipment

Oxygen supply tanks and masks are standard equipment. But the regulation of proper oxygen flow for various altitudes has brought difficulties. The Medical Directorate of the R.C.A.F. is developing an automatic flow regulator which compensates mechanically for changes in altitude.

This instrument will be of particular value to air gunners, who are without altimeter instruments, and to fighter pilots who require sufficient oxygen to eliminate nitrogen from the body during exceedingly rapid ascents.

For bailing out at high altitude, an emergency oxygen unit has been developed which enables a man to remain conscious, even at 37,000 or 40,000 feet. This is a small steel cylinder carried in the pocket of the flying suit. It ensures supply of sufficient oxygen until the parachutist drops to a level where normal breathing is possible.

The National Research Council has been working on a new type of oxygen mask which will not be subject to the danger of freezing in the upper strata and it is felt that this field of oxygen supply offers great scope for further development.

Mayo At It Too

Similar research, of course, is being pursued in the United States. The Mayo Foundation, for example, has sponsored experiments leading to the invention of a method and equipment for using liquid oxygen. This allows relatively large quantities of oxygen to be carried without bulky containers and at the same time eliminates some of the other handicaps involved in the storage and use of gaseous oxygen. The liquid oxygen is evaporated to provide a constant supply of gas as required.

Finding out what it's like seven miles up is now possible right on the ground. Important research work with pressure chambers like this is now being done in Canada. The air war is moving higher and higher, every rise a further challenge to science—biological and mechanical.

While oxygen is often used as low as 12,000 feet as an aid against tiring, the average man can maintain consciousness indefinitely up to about 18,000 feet where the atmospheric pressure is about one half that of sea level. Efficiency is reduced at this altitude, however.

It has been discovered that if a man's oxygen supply is cut off at 20,000 feet, he will "pass out" in 10 minutes. At 25,000 feet unconsciousness comes in three minutes. From 29,000 feet up, loss of oxygen supply means unconsciousness in less than a minute.

Above 35,000 feet an oxygen mask may furnish enough pure oxygen, but the rarefied atmosphere does not supply enough lung pressure. At 40,000 feet, a man as active as an air crew member is breathing with the same difficulty again, in spite of his mask, that he would experience at 18,000 feet without a mask.

With present equipment, 40,000 feet is considered to be the ceiling of human endurance. Higher altitudes may be endured with the development of pressure cabins or suits and helmets that will maintain an inside pressure.

The Engineering Division of the R.C.A.F. is co-operating with the Medical Directorate in devising clothing and cabin heating to offset the extreme cold of high altitudes. At the same time, the altitude chamber is being used to study the effects of cold on the air crew's efficiency.

It has been reported that German pilots have worn heated underwear, but details of the heating method are not available. Canadian researchers have laid the foundation for the invention of heated flying clothing. The warm-air-heated suit under development will provide sufficient warmth for comfort and efficiency and will not handicap movement about the plane, a difficulty of the present heavy flying clothing.

Similarly, the design of gloves and boots to provide warmth without interference is proceeding.

Altitude Toleration

The psychological factor involved in high altitude flying is considered to be most important. Trainees in the British Commonwealth Air Training Plan have been and are being studied in the altitude chamber. Interesting conclusions already have been drawn, and these will lead to important innovations in air crew training, according to the authorities.

Such factors as anxiety, diet, and individual idiosyncrasies influence a man's ability to operate efficiently at high altitudes. Experiments have shown that high altitudes can be tolerated by selected individuals. This encourages the hope that, by special training, all personnel may be rendered capable of performing their duties at 35,000 and 40,000 feet.

It is probable that the altitude chamber will become an important training unit, used to condition trainees to altitude operation. It will be possible to familiarize them with performance of their duties while using oxygen equipment at simulated altitudes above 20,000 feet.

From experience with trainees in the low pressure chamber, it has been found that different individuals have markedly different altitude tolerances. Many persons can tolerate, with the necessary equipment, 38,000 to 40,000 feet, while other persons can tolerate altitudes up to only 25,000 to 30,000 feet, or even less.

With the use of fast-climbing interceptor planes, aeroembolism has entered the picture as a unique problem of the fighter pilot. Comparable with the diver's "bends," this malady is caused by expansion of atmospheric nitrogen inside the body when the external pressure is quickly reduced. The result is that tiny nitrogen bubbles form in the blood stream. This can produce temporary paralysis and even unconsciousness. It takes effect when the pilot reaches 30,000 feet or higher.

Research experts at the Mayo Clinic in Rochester, Minnesota, and others have studied this phenomenon, with the result that a method of overcoming it has been developed.

Pilots are "supercharged." This is a relatively simple process. It is done by inhaling pure oxygen for a period of 30 minutes while exercising. The combination oxygen and exercise eliminates the nitrogen from the body. In the 30-minute period the nitrogen content is reduced by about 50%, which is below the aeroembolism danger point.

From the time he starts breathing oxygen in the decompression room, however, until he has made the altitude flight and lowered the plane to normal levels again, the pilot must not take a breath of "fresh air." For this air, containing nitrogen, would discount the supercharging. Accordingly, between the decompression room and his plane, the pilot carries a portable oxygen unit, then immediately plugs in to the plane's oxygen supply in the cockpit.

The R.C.A.F. has been experimenting to discover the causes, the prevalence and the cure of air sickness. In an extensive survey of 2,622 air crew trainees, it was found that 15% of all student pilots and 30% of all air observer students were subject to air sickness. Of this group, 13 had to cease training because of it.

It was estimated that each individual suffering from air sickness lost four flying hours, while those who had persistent air sickness lost approximately 16 flying hours. The total time lost from air sickness in this group of trainees was approximately 3,300 hours.

According to this survey, the majority of individuals overcome air sickness as they do sea sickness. Some never do, while others take time to accommodate themselves to the peculiar conditions causing sickness.

Further study of the problem in an attempt to decrease the incidence of air sickness is being carried on by the R.C.A.F. Medical Directorate.

Vibration Fatigue

Investigators have discovered that vibration and noise in aircraft tend to decrease the efficiency of the air crew. Vibration is considered to be one of the chief factors producing fatigue in personnel. Originating in the propeller and engine, vibration is transmitted through the structure of the aircraft into the bony structure of the individual. This produces continued tenseness, which results in fatigue and thus to decrease in visual efficiency, ability to concentrate, etc.

As a result of these discoveries, increased importance is credited to the job of damping internal noise and vibration of military aircraft.

Parallel with the research and invention aimed at increasing the air crew's efficiency in the sub-stratosphere, the improvement of engine superchargers is occupying the attention of engineers on both sides of the battle line as well as in the United States.

The Flying Fortresses can bomb from 37,000 feet only because their engines are equipped with exhaust-driven turbines which compress the rarefied atmosphere to sea-level density before it enters the carbureter.

It is conceded by the experts that leadership in research and development applied to the conditioning of air crews and of aircraft engines for high altitude operation means the supremacy in the upper air essential to victory.

You've heard lots about them. Here's a close-up of a fighter pilot, complete with his stratosphere clothing.

Canada Paving Values Low

Difficulty of Liquidating Real Estate Holdings Told by Trustee

Unrealized assets of Canada Paving & Supply Corp. include, under the heading of real estate, the value of lands, buildings and improvements at the figures carried on the books of the corporation which amount to $1.1 million, it is pointed out by the Guaranty Trust Co. of Canada, trustee. The aggregate assessed value of all this real estate is $159,350. Difficulties which the trustee has met in making satisfactory sales of several properties show shareholders that these book values in no way reflect realization possibilities for real estate of the corporation until unsold.

"The likelihood of shareholders participating to any appreciable extent in the liquidation results must depend on a very substantial improvement in real estate values throughout the areas where the unsold real estate of the corporation or its subsidiaries is located," reports the trustee.

Settle Bank Claim

All creditors' claims have been satisfied and no liabilities remain outstanding. The trustee's compensation has still to be determined by the court after remaining assets are disposed of. Balance of $19,000, bearing interest at 5½%, due to the Canadian Bank of Commerce, has been settled by a sale of $38,000 of City of Windsor 2% bonds. As the claim was bearing 5½% interest and the Windsor bonds only 2%, a saving has been effected. The estate still holds $13,628 of these Windsor bonds.

The claim totalling $49,876 owing by the Town of Riverside is expected to be settled shortly pursuant to the interior plan for the adjustment of the debts of this municipality. The trustee will receive $1,152 in cash in settlement in full of the interest account amounting to $11,519, and for the principal of the debt will receive certificates of indebtedness amounting to $38,268. These certificates of indebtedness will bear interest at 4½% annually and payment on account of the interest will be made at the rate of 1% per annum for the five-year period of 1940 to 1944. Present market on Riverside debentures said to be 27 to 30.

Sell Steamer

The steamer Aragon has been sold for $13,000, of which $5,000 was paid in cash and the balance secured by ship mortgage on which $3,000 was paid Dec. 1, 1940. The remainder of $5,000 was payable Aug. 1 this year. The new owners had to spend about $20,000 in refitting to meet Government regulations.

An offer of $3,000 was submitted to the trustee recently for some Walkerville property which was carried at a book value of $20,375. Land and buildings in London have been appraised at $5,725, although the property carries a book value of $26,366. Property on the Detroit River which is carried on the books of the corporation at $585,891 is thought to have a real value, particularly if work commences on the St. Lawrence Waterway project.

No Current Loss

The trustee reports that while sale prospects have been disappointing, it has been possible to carry the real estate without loss. Annual rental income at present is $13,250. Taxes are $6,461 and fire insurance premiums $990, making a total of $7,451. This leaves a net annual income of $5,790 based on present rentals. Maintenance and depreciation on the property is not excessive and the trustee has kept them in good repair with an average maintenance cost estimated as not excepted to exceed $1,000 annually.

The estate, which has been in bankruptcy since 1932, shows current assets of $23,028, of which $12,487 is cash.

United Kingdom Takes Still More Lumber

From Our Own Correspondent

VANCOUVER.—A more favorable turn in the Battle of the Atlantic is believed primarily responsible for substantial improvement in the lumber export situation to the United Kingdom.

Early last spring the general feeling among lumber operators on the west coast was that Britain would fade out of the market picture owing to the difficulty in transporting freight across the Atlantic. Accordingly the mills began to concentrate on the rapidly growing domestic demand.

But while the domestic rail trade has continued to expand, with shipments to the United States currently at the highest level in a decade, the British market has also recovered and there is every indication that during the next few months the United Kingdom will be one of the principal factors in the industry.

The only difficulty is that most of the lumber for delivery to Britain must be shipped by rail to the Atlantic coast owing to the continued shortage of tonnage. This procedure, apart from being much costlier than the all-water haul, has resulted in some congestion and imposed tremendous pressure on the railroads' supply of suitable rolling stock.

Probably never before in history have the railroads been called upon to provide so much carrying space for eastbound lumber from the Pacific coast, and there is no sign of a letup. On the contrary, volume of shipments will probably continue to rise during the coming fall and winter.

Rail shipments to the Atlantic seaboard for transportation to Britain have averaged about 65 million board feet this summer, with every prospect of their rising to 80 million feet provided that sufficient cars can be made available.

In addition to catering to the current housing boom in Canada and the United States, there have been large new orders for airport construction and war plant building.

Provincial Light Calls Sinking Fund Bonds

From Our Own Correspondent

MONTREAL.—Provincial Light, Heat & Power Co., a subsidiary of Montreal Light, Heat & Power Co., has called for redemption by lot on Sept. 1 next $60,000 of its 5% first mortgage bonds at 105 and accrued interest. The bonds are payable in sterling, U. S. funds or Canadian dollars at the option of the holder.

At the end of last year there were outstanding in the hands of the public $223,000 of these bonds. With the current redemption, bonded debt of the company will be reduced to $154,000.

Newfoundland Sells Codfish to Spain

The Newfoundland Fisheries Board announces the sale of 80,000 qtls. of Labrador dried codfish to Spain. Shipments are expected to start in October, with the purchaser providing the transportation. Price to be received has not been officially disclosed, but is termed "good."

PROFESSIONAL DIRECTORY

Patent Attorneys

RIDOUT & MAYBEE
PATENTS - TRADEMARKS
80 Richmond Street West
Toronto - Phone Ad. 0119

FREE *Subscribers to The Post, by mail, are entitled to the privileges of the Investment Enquiry Service. Subscription price — $5 a year.*

LEGAL

W. M. COUPER, K.C.
Advocate, Barrister, Etc.
486 St. John St., Montreal
Tel. Marquette 3005

CONSULTING ENGINEERS

Shoemaker & Burnham
CONSULTING ENGINEERS
Specializing in Mill Design, Metallurgy, Power and Mining Plants.
Room 1201-1207
45 Richmond St. West,
Toronto, Ont.
Waverley 4466

CHARTERED ACCOUNTANTS

Ronald, Griggs & Co.
Chartered Accountants
WINNIPEG
SASKATOON

KEEPING POSTED
by reading The Post every week *is the secret of success for successful readers of The Post. Every week, by mail, $5 a year.*

ARTHUR S. FITZGERALD
AND COMPANY
Chartered Accountants
WINDSOR, ONTARIO

Black, Hanson & Co.
Chartered Accountants
Winnipeg, Fort William and Port Arthur

McDonald, Currie & Co.
Chartered Accountants,
Licensed Trustees & Receivers
MONTREAL TORONTO QUEBEC OTTAWA

Masecar, DeRoche & McMillan
Chartered Accountants
SASKATOON, SASK.

RUTHERFORD WILLIAMSON & CO.
Chartered Accountants
Rutherford Williamson, F.C.A. Harold A. Shiach, F.C.A.
D. J. Sales, C.A. W. F. Gibson, C.A.
TORONTO — MONTREAL
Licensed Trustees and Receivers
Rutherford Williamson, F.C.A. F. R. McCutcheon, C.A.

CLARKSON, GORDON, DILWORTH & NASH
CHARTERED ACCOUNTANTS
15 Wellington Street West, Toronto
Toronto—Montreal—Hamilton—Winnipeg—Vancouver
E. R. C. CLARKSON & SONS
Licensed Trustees and Receivers
15 Wellington Street West, Toronto

WILTON C. EDDIS & SONS
Established 1895
CHARTERED ACCOUNTANTS
Federal Building, Toronto

THORNE, MULHOLLAND, HOWSON & McPHERSON
CHARTERED ACCOUNTANTS
E. J. HOWSON
R. S. McPHERSON
Licensed Trustees
FEDERAL BUILDING
TORONTO
GALT
KITCHENER

SPUN ROCK WOOL — HEAT COLD SOUND — INSULATION

To Conserve Fuel for War Needs
INSULATE with
SPUN ROCK WOOL!

The ideal way to conserve fuel — a war measure advocated by the Federal Fuel Controller — is to insulate your home with Spun Rock Wool. Made right here in Canada from all Canadian materials, this fire-proof, vermin-proof, durable insulation will save fuel from the very beginning. Spun Rock Wool is light, easily installed and is available in bulk, batts, blankets and pipe covering.

Write for sample and particulars.

SPUN ROCK WOOLS LIMITED
THOROLD, ONT.
Distributors for Eastern Canada
F. S. Bridges Limited, 8 Marlborough Ave., Toronto 5
Agents, Montreal District—
Asbestos Limited, 1418 Notre Dame St. W., Montreal
Representatives for B. C.
Borland, Melville & Co. Ltd., 850 Hastings St. W., Vancouver

BRITISH AEROPLANE ENGINES
LIMITED
Exclusive Agents in Canada
for
Bristol Aeroplane Engines
ASSEMBLING OVERHAULS
GENERAL SERVICE
at
6259 Notre Dame St. East
HEAD OFFICE 248 McCord St. MONTREAL

GO 50/50 WITH OUR FIGHTING FORCES

40's MY LIMIT NOW...

Save Gasoline

Experts have proved the average car getting 18 miles to the gallon at 30 miles an hour, only gets 12.6 at 60. So hit a happy medium by not exceeding 40. It's safer too and helps you keep your 50/50 pledge. Our Fighting Forces need the gasoline. See that they get it by watching your speedometer.
REMEMBER: The slower you drive, the more you save!

Spare and Share your Gasoline for VICTORY!

Cut the Cost
of Removing Dust and Dirt from your Building
STURTEVANT VACUUM CLEANERS
— are made expressly to do a speedy and complete job of cleaning.
Outstanding features:—High suction, large volume, efficient filter action, low maintenance cost and large storage capacity.
Write for literature and prices.

UNIT HEATERS
PROPELLER FANS
AIR CONDITIONING
INDUSTRIAL VACUUM CLEANING SYSTEMS
BLOWERS
EXHAUST FANS
VENTILATING AND DIRT COLLECTION SYSTEMS

Sturtevant
AIR HANDLING EQUIPMENT
Write for literature
THE B. F. STURTEVANT CO. OF CANADA LIMITED
Factory — Galt, Ont. Sales Offices — Toronto, Montreal
ESTABLISHED 27 YEARS IN CANADA — 76 YEARS' EXPERIENCE